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FOI/PA# 1347893-0

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ANONYMOUS COMMUNICATION
KEEP ENVELOPE ATTACHED

We the people of American
are entitled to a complete and thorough
investigation of this incident enclosed
as their ^{plans} seem to be working out. Many
of us remember when this came up. Your
department seemed to be the only
independent one left.

Henry A. Wallace

ENCLOSURE

By William A. White
Alfred Barrow

see index card 121

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228303

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| 62-71788-X | |
| FEDERAL BUREAU OF INVESTIGATION | |
| 3 | NOV 24 1940 |
| U.S. DEPARTMENT OF JUSTICE | |
| HENRY A. WALLACE | |

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Mr. J. Edgar Hoover
Federal Bureau of Investigation
Washington
D. C.

ALL INFORMATION CONTAINED
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DATE 5/16/83 BY SP1 BSK/CD

ENCLOSURE

62-71788-X

Post *Daily*

FIVE CENTS

Copyright, 1942, by Field Publications

VOL. III — No. 167

Tuesday, December 29, 1942

☆ COMPLETE EDITION

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Wallace's Post - War World:

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● **Jobs for All**

● **World Council to
Preserve Peace**

Food Run On Despite

Pages

Vice President Wallace Calls for Post-War Council To Insure World Peace and Security for All Nations

Urges, in Wilson Anniversary Speech, Planning Now for Future

Vice President Henry A. Wallace last night proposed establishment of a post-war World Council to insure peace and called on the American people to lead the world toward a "new democracy"—one in which the common man and returning soldier will be assured of jobs and security.

In an address that may rank with his now-historic "Free World" speech of May 8, he said the task of this generation is "so to organize human affairs that no Adolf Hitler, no power-hungry war-mongers, whatever their nationality, ever again can plunge the whole world into war and bloodshed."

His address was broadcast nationally from Washington in commemoration of the 86th anniversary of the birth of Woodrow Wilson.

Woven through the speech were these themes:

¶ The United States and her Allies must begin now to plan a vigorous and workable world compact to disarm aggressors and insure world peace through economic co-operation. This will necessitate a World Council to settle disputes which otherwise would lead to needless war and bloodshed.

¶ Any such federated world organization, designed to preserve liberty, equality, security, and unity for all, must confine itself to broad principles which affect the entire world, leaving each country or each region the freedom to deal with purely domestic or regional problems. For example, European countries, while concerned with Pan American problems, should not have to be preoccupied with them; conversely, Pan America should not have to be preoccupied with problems of Europe.

¶ The United States cannot afford to delay the preparation of a broad, post-war reconstruction program to speed conversion of industry back to a peacetime basis and thereby make certain that everyone who gave up his job to join the armed forces or go into war work will have a new job when the peace is signed.

Regarding the new League of Nations, with the United States this time an active member, Wallace said that in the period following World War I there were many who said Wilson had failed. But now, he added, "We know it was the world that failed and that the suffering and war of the



Vice-President Henry A. Wallace, who commemorated the anniversary of Woodrow Wilson's birth with a radio speech elaborating the thesis that this is the century of the common man.

last few years is the penalty it is paying for its failure."

He said he believed the United States, aware of its "isolationist folly," is now ready to work with other United Nations in developing a "formula which will give the greatest possible liberty without producing anarchy and at the same time will not give so many rights to each member nation as to jeopardize the security of all."

As conquered territory is regained from the Germans and the Japanese, he said, the Allies must take humanitarian measures of relief and rehabilitation, remembering all the while that "revenge for the sake of revenge would be a sign of barbarism."

Then, he continued, will come the task of building a new and enduring peace, and in this task economic reconstruction will play an all-important role.

"It should be obvious to practically everyone that, without well planned and vigorous action, a series of economic storms will follow this war," he said. "These will take form in inflation and temporary scarcities, followed by surpluses, crashing prices, unemployment bankruptcy, and in some cases violent revolution."

Because jobs-for-all is a prerequisite for a sound economy, he said, the United States must make certain that another period of unemployment does not follow the present conflict.

"This problem," he said, "is well recognized by the average man on the street, who sums it up in a nutshell like this: 'If everybody can be given a job in war work now, why can't everybody have a job in peacetime production later on?'"

The essentials of this job are clear, Wallace said: We must have definite plans for the conversion of key industries to peacetime work: A continuity in the flow of incomes between consumers and industry, and a national system of job placement.

"With this end in view," he continued, "the suggestion has been made that Congress should formally recognize the maintenance of full employment as a declared national policy, just as it now recognizes as national policies the right of farmers to parity of income with other groups and the right of workers to unemployment insurance and old-age annuities."

'We Must Avoid Those Blunders Committed After World War I'

The text of the Vice President's speech on America's part in world reconstruction:

For the people of the United States, the war is entering its grimmest phase: At home, we are beginning at last to learn what war privations mean. Abroad, our boys in even greater numbers are coming to grips with the enemy. Yet, even while warfare rages on, and we of the United Nations are redoubling our great drive for victory, there is dawning the hope of that day of peace, however distant, when the lights will go on again, all over the world.

Adolf Hitler's desperate bid for a Nazi world order has reached and passed its highest point, and is on its way to its ultimate downfall. The equally sinister threat of world domination by the Japanese is doomed eventually to fail.

When the Hitler regime finally collapses and the Japanese war lords are smashed, an entirely new generation—the generation which President Roosevelt once said has a "rendezvous with destiny"—is so to organize human affairs that no Adolf Hitler, no power-hungry war mongers, whatever their nationality, can ever again plunge the whole world into war and bloodshed.

'Analogous to Early Days of Our Republic'

The situation in the world today is parallel in some ways to that in the United States just before the adoption of the Constitution, when it was realized that the Articles of Confederation had failed and that some stronger union was needed.

Today, measured by travel time, the whole world is actually smaller than was our tiny country then. When George Washington was inaugurated, it took seven days to go by horse-drawn vehicle from Mount Vernon to New York. Now Army bombers are flown from the United States to China and India in less than three days.

It is in this suddenly shrunken world that the United Nations, like our 13 American states in 1787, soon will be faced with a fundamental choice. We know now that the League of Nations, like our own union under the Articles of Confederation, was not strong enough. The League never had American support, and at critical moments it lacked the support of some of its own members.

The League finally disintegrated under the successive blows of world-wide economic depression and a second world war. Soon the nations of the world have to face this question: Shall the world's affairs be so organized as to prevent a repetition of these twin disasters—the bitter woe of depression and the holocaust of war?

Discussion Now Is Appropriate

It is especially appropriate to discuss this subject on this particular date, because it is the birthday of Woodrow Wilson, who gave up his health, and eventually his life, in the first attempt, a generation ago, to preserve the world's peace through united world action. At that time, there were many

who said that Wilson had failed. Now we know that it was the world that failed, and the suffering and war of the last few years is the penalty it is paying for its failure.

When we think of Woodrow Wilson, we know him not only for his effort to build a permanent peace, but for the progressive leadership he gave our country in the years before that first World War. The "New Freedom" for which Wilson fought was the forerunner of the Roosevelt "New Deal" of 1933 and of the world-wide new democracy which is the goal of the United Nations in this present struggle.

Wilson, like Jefferson and Lincoln before him, was interested first and always in the welfare of the common man. And so the ideals of Wilson and the fight he made for them are an inspiration to us today as we take up the torch he laid down.

We Must Prepare For the Peace Now

Resolved as we are to fight on to final victory in this world-wide people's war, we are justified in looking ahead to the peace that inevitably will come. Indeed, it would be the height of folly not to prepare for peace just as, in the years prior to Dec. 7, 1941, it would have been the height of folly not to prepare for war.

As territory previously overrun by the Germans and the Japs is reoccupied by the forces of the United Nations, measures of relief and rehabilitation will have to be undertaken. Later, out of the experience of these temporary measures of relief, there will emerge the possibilities and the practicalities of more permanent reconstruction.

We can not now blueprint all the details, but we can begin now to think about some of the guiding principles of this world-wide new democracy we of the United Nations hope to build.

Two of these principles must be liberty and unity, or, in other words, home rule and centralized authority, which for more than 150 years have been foundation stones of our American democracy, and our American Union.

We Were Unprepared After World War I

When Woodrow Wilson proposed the League of Nations, it became apparent that these same principles of liberty and unity—of home rule and centralized authority—needed to be applied among the nations if a repetition of the first world war was to be prevented. Unfortunately, the people of the United States were not ready. They believed in the doctrine of liberty in international affairs, but they were not willing to give up certain of their international rights and to shoulder certain international duties, even though other nations were ready to take such steps.

They were in the position of a strong, well-armed pioneer citizen who thought he could defend himself against robbers without going to the expense and bother of joining with his neighbors in setting up a police force to uphold civil law.

They stood for decency in international

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62-71788-X

Dr. Wirt's Ghost Stalks New Deal

RECORD PROVES EDUCATOR'S REVELATIONS



HENRY A. WALLACE, New Deal candidate for Vice-President and former Secretary of Agriculture, who, according to Dr.

Wirt, wrote a book whose philosophy of "planned economy" meant overthrow of the American Government.

MISS ALICE BARROWS, educationalist in the Department of the Interior, who entertained the group accused by Dr. Wirt.

DR. WILLIAM A. WIRT, former superintendent of schools in Gary, Ind., now deceased, who accused "a group" at the

dinner given by Miss Alice Barrows in 1933 of giving voice to "subversive" sentiments.

Wallace's Writings Called Subversive

By KENT HUNTER

More than seven years have rolled away since seven men and women sat down to dinner at the home of Alice Barrows, educationalist in the Interior Department, in suburban Virginia, near Washington, on the night of Friday, Sept. 1, 1933. At that time, Henry A. Wallace, Secretary of Agriculture, was "just a Cabinet officer."

Certainly no one, unless it happened to be some of the Wallace inner circle, thought of him as a possible Vice-President of the United States, first in line of succession should the President die, resign or otherwise be eliminated.

Much of what was said at that dinner might have been lost in the limbo of forgotten words had not one of the guests later written down his recollections of the conversations, and later, under oath before a Congressional investigation committee, sworn to the truth of what he wrote.

The guest who did the writing

was Dr. William A. Wirt, former superintendent of Public Schools in Gary, Indiana—a liberal in matters of education—who died March 11, 1938, nearly four years after his sworn testimony had been made a public record by the Congressional committee hearings.

Today, on the eve of what many regard as the most important national election in the history of the United States, the dinner, and what was said there, bounce back to furnish deep food for thought for an electorate heading to the polls on Nov. 3.

In addition to Dr. Wirt, those who attended that dinner—according to his sworn testimony—were:

Alice Barrows, the hostess; Robert Bruer, then chairman of the Textile Code Authority; David Cushman Coyle, then a member of the Technical Review Board of the Public Works Administration; and Lawrence Todd, representative of Tass Agency (official news agency for Soviet Russia).

Specifically, he charged, Miss Kneeland referred to Dr. Huxford Russell and Secretary Wallace as the leaders of thought for their group. Specifically, he named Lawrence Todd, and Miss Taylor as individuals making the statement of the President being in the "middle of a swift stream, and being only the Kerevsky of this Revolution."

Specifically, he quoted from books written by Tugwell and Wallace as carrying the philosophy of a government overthrow and establishment of "planned economy" along radical lines.

Wirt's charges were first included in mimeographed form in which they were sent to James Rand; to General Robert E. Wood of Chicago; to former Governor James P. Goodrich, of Indiana; and others—a list of perhaps one hundred in all, including many leading newspapers.

And, in turn, with Wirt's permission, had included portions of the Wirt statement in Rand's testimony before the Interstate and Foreign Commerce Committee of the House on March 22, 1934. It was the Rand testimony which led to House resolution 317, creating the investigating committee before which Wirt appeared.

Records of the investigating committee hearings show that Dr. Wirt had a stormy hearing. In the first place, former Senator James A. Reed, of Missouri, his counsel, was appointed to sit at the hearing "only as a friend" of

What Dr. Wirt Said After That Dinner in 1934

On April 10, 1934, an Investigating Committee of the House of Representatives held sessions in Washington to hear Dr. William A. Wirt, Gary, Ind., educator, explain the text of a mimeographed statement he had, previously sent to a number of American business leaders and which James Rand, Jr., had put into the testimony of another Congressional Committee some weeks previous. Wirt read into the record portions of that statement, and swore the material in it first came to his attention at a dinner in Virginia, on Friday, Sept. 1, 1933. The statement covered a definite plan which Wirt said was concocted by men and women INSIDE THE GOVERNMENT to radically change our Government. Salient points of Wirt's statement, as he read it under oath, are given below:

"I was told that they"—(the sponsors of the Plan)—"believed by thwarting our then evident recovery they would be able to prolong the country's destitution until they had demonstrated to the American people that the Government must operate industry and commerce."

"I was told that of course commercial banks could not make long term loans and that they would be able to destroy by propaganda the other institutions that had been making

our capital loans. Then we can push Uncle Sam into the position where he must make these capital loans. And, of course, when Uncle Sam becomes our financier, he must also follow his money with control and management."

"The most surprising statement made to me was the following:

"We believe that we have Mr. Roosevelt in the middle of a swift stream and the current is so strong that he cannot turn back or escape from it. We believe we can keep Mr. Roosevelt there until we are ready to supplant him with a Stalin. We all think Mr. Roosevelt is only the Kerevsky of this revolution."

"When I asked why the President would not see through this scheme they replied:

"We are on the inside. We control the avenues of influence. We can make the President believe that he is making decisions for himself."

"They said: 'A leader must appear to be a strong man of action. He must make decisions many times and make them quickly, whether good or bad. Soon he will begin to feel a superhuman flow of power from the flow of decisions themselves—good or bad. Eventually he can easily be displaced because of his bad decisions. With Mr. Roosevelt's background we do not expect him to see this revolution through.'

"They said that (portion of me, deleted): 'Such individuals can be induced to kindle the fires of revolution."

"Miss Kneeland. The answer was that our group takes the leadership and recognizes the leadership of Dr. Tugwell. We are in the Department of Agriculture and Henry A. Wallace expressed the viewpoint we believed in. She said that in the opinion of Dr. Tugwell this so-called recovery—in 1933 and 1934—was an illusion and a relative, and that if he had the power he would have closed the commodity and stock exchanges."

Asked if Miss Kneeland had identified any one else in the group, Wirt said:

"No one other than Henry A. Wallace, Secretary of Agriculture, and his assistant, Dr. Tugwell."

At another point, Dr. Wirt said that our group takes the leadership and recognizes the leadership of Dr. Tugwell. We are in the Department of Agriculture and Henry A. Wallace expressed the viewpoint we believed in. She said that in the opinion of Dr. Tugwell this so-called recovery—in 1933 and 1934—was an illusion and a relative, and that if he had the power he would have closed the commodity and stock exchanges."

Asked if Miss Kneeland had identified any one else in the group, Wirt said:

"No one other than Henry A. Wallace, Secretary of Agriculture, and his assistant, Dr. Tugwell."

But strong men must take their places when once the country is engulfed in flames.

"Thus they, the Brain Trusters, would soon be able to use the police power of the Government and 'crack down' the opposition with a big stick. In the meantime they would extend the gloved hand and keep the big stick in the background."

"They were sure their propaganda could influence the masses against the old social order and the honest men as well as the crooks that represent that order."

"I asked them what they would do when the Government could no longer dole out relief in the grand manner. By that time, it was answered, the oft repeated exhortation to industry and commerce to make jobs out of confidence, to produce goods and pay wages out of psychology, together with their other propaganda, would have won the people to the idea that the only way out was for Government itself to operate industry and commerce."

"They were certain they did not want to support agriculture for a long time. They were certain the farmers could be won by doles to support the government operation of industry and commerce. Farmers would be delighted to get their hands for once in the history of the country in the public trough. The farmers would be one with the masses—united for redistribution of the wealth of the other fellow. All they would need to do with the opposition would be to ask—

"Well, what is your plan?"

purely coincidental that food distribution to the unemployed stopped up noticeably just before this current trip of the voters to the polls.

The charge that leaders of the labor union would be kept quiet by "doles" in the form of loans and contracts for other employment for the other might account for charges of treachery. WPA increases prior to the 1934 election—and for many contrived under the New Deal's unprecedented spending programs.

The Wirt charges that the group hoped to maintain control of the schools and colleges until the "New Dealers in the White House—come—down—over," might explain the growth in the schools from 1934 on, of the American Student Union, the Karl Marx Forum groups and similar organizations, and the setup of academic freedom committees among organizations of teachers. It might explain the prevalence of the Ruggs text-books in many schools and the student and faculty drives against ROTC units and other wholly American groups among the students.

The Wirt charge as to the group's belief in propaganda might account for the unprecedented amount of pamphlets, leaflets, and other material now

circulating in the country.

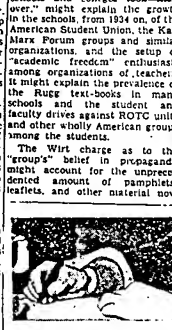
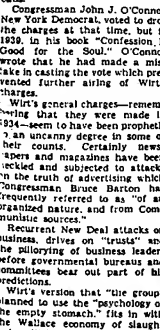
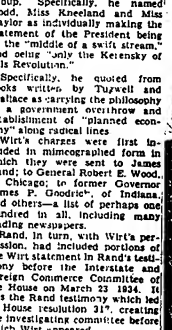
Recurrent New Deal attacks on business, drives on "trusts" and the pillorying of business leaders before governmental bureaus and Congress bear out part of his predictions.

Wirt's version that "the group" planned to use the "psychology of the empty stomach" fits in with the Wallace economy of slaughter and restricting grain and produce yields, at the very time when the radicals were explaining the slogan, "Starvation in the midst of plenty." It is, of course,

MISS HILDEGARDE KNEELAND, member of the Home Economics Dept. of the Agriculture Dept. in 1933, accused by Dr. Wirt of saying at the Barrows dinner that "Roosevelt was only the Kerevsky of this revolution," that is, against the present form of the U. S. Government.



LAWRENCE TODD (standing), representative of Tass Agency (official news agency for Soviet Russia), being seized by Rep. Harold McGuffin regarding a copy of Dr. Wirt's charges.



JOHN EDGAR HOOVER
DIRECTOR



JKM:PC
Call: 10:15 AM
Typed: 10:25 AM

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

February 15, 1943

MEMORANDUM FOR MR. D. M. LADD

CC-287

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

Henry A. Wallace

SAC Hottel of the Washington Field Office called at this time and advised that he had just received a call from Mr. Hall of the Public Works Administration who has charge of guards in government buildings. He stated that a guard in the Social Security Building noticed in Room 110, which is a Mens Washroom, a notice on the wall which was something like "Notice to Vice-President Wallace. Keep your nose out of South American affairs or we will place a bomb and don't appear in this building and so forth." Hottel stated he has been advised that Vice-President Wallace is due at this building tomorrow for a conference and apparently Mr. Nelson has been advised of this because they have this room locked up. Hottel inquired if he should conduct this investigation or is it up to the Secret Service. I told Hottel that this is a matter for the Secret Service and the local police to handle.

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Respectfully,

J. K. Mumford

228303



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EX-4

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| 16 FEB 15 1943 | |

57 FEB 26 1943



LBN:FML

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

February 16, 1943

3-287

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
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Mr. Nichols _____
Mr. Rosen _____
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Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

MEMORANDUM FOR MR. TOLSON

Fred Mullen of the UP called to advise that the building guard at the Social Security Building was doubled today, the elevator shafts were closed, everybody seemed to be jittery. Vice-President Wallace and Nelson attended a meeting of the WPB. The story gradually leaked out when individuals who were presumed to be Secret Service Agents were seen coming out of the WPB meeting with Wallace.

Nelson finally told some of the reporters off the record that somebody had written a message with soap on one of the mirrors in one of the Men's Rooms to the effect that a bomb will be planted there today to take care of Wallace so he can't mess around South America.

Nelson also stated, according to Mullen, that the FBI had been called about this threat against Wallace's life. Mr. Ladd knows nothing about this nor does Mr. Hottel.

I told Mullen that we had no comment to make and that for his information we definitely were not over there.

Respectfully,

L. B. Nichols

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228303

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N129

EX-4

62-71788-X2

FEB 18 1943



60 FEB 28 1943

MR. TOLSON _____ b6
MR. E.A. TAMM _____ b7C
MR. GLAVIN _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON _____
MR. GURNEA _____
MR. HENDON _____
MR. KRAMER _____
MR. MC GUIRE _____
MR. QUINN TAMM _____
MR. WATSON _____
MISS GANDY _____

~~CONFIDENTIAL~~

F.B.I. RADIOGRAM

[DECODED COPY] (8)

FROM LIMA 3-17-43 NR 193 6:35 PM EWT

DIRECTOR FROM [redacted] PURSUANT TO AMBASSADOR'S REQUEST WE MADE ARRANGEMENTS WITH DIVISION OF INVESTIGATION FOR ASSIGNMENT OF ENGLISH SPEAKING INVESTIGATOR TO SERVE AS AIDE TO GEORGE B. BOOS, CHIEF OF SECRET SERVICE GROUP ACCOMPANYING VICE-PRESIDENT WALLACE. PRESENT PLANS CALL FOR WALLACE SPENDING NIGHT OF MARCH 25 AT HOME OF AMBASSADOR. HE WILL LEAVE LIMA MORNING OF MARCH 26 EN ROUTE CHILE AND RETURN TO LIMA APRIL 10 REMAINING UNTIL MORNING OF APRIL 15. HE WILL RESIDE AT LA PERLA, PRESIDENT'S OFFICIAL SUMMER HOME. THE FOUR SECRET SERVICE MEN WILL RESIDE THERE ALSO. ADVISE IF YOU HAVE ANY SPECIAL INSTRUCTIONS FOR THIS OFFICE RE WALLACE'S VISIT.

RECEIVED: 3-18-43 10:46 AM EWT IMR

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S-16-83
228303

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OK - no ans required

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-18-87

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75 APR 3 1943

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62-71788-7
FBI
MAR 23 1943
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If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

~~CONFIDENTIAL~~



NLF:im

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

March 18, 1943

MEMORANDUM FOR MR. LADD

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Piper _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

BACKGROUND:

As you know, Vice President Wallace is now making a trip through Central and South America.

FACTS:

The Bureau's representative in Santiago, Chile has advised that numerous reports have been received indicating that a large anti-American demonstration might be staged in Chile during Vice President Wallace's visit to that country.

It is further reported that this demonstration will be financed by Axis money through the ~~Union Nacionalista~~ of Chile.

This information was telephonically furnished to Mr. Dan Hanley of the State Department who advised that the matter appeared to be purely an internal one in Chile but that Ambassador Bowers would undoubtedly keep the Chilean Government advised of the situation.

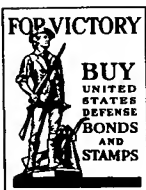
ACTION:

The Bureau's representative in Santiago, Chile, has been instructed to endeavor to obtain definite information regarding the alleged plans for an anti-American demonstration in Chile and to keep the Bureau fully advised.

Respectfully,

C. H. CARSON

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&
INDEXED



52 MAY 6 1943

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DATE 5/16/83 BY SP-6/BJC
228303

62-71788-2

NLF:im

Radiogram dated 3/18/43 from Santiago
Transcribed 3/18/43

PERSONAL AND ~~CONFIDENTIAL~~
BY SPECIAL MESSENGER

Date:

62-71788-2

RECORDED

To:

Honorable Adolf A. Berle, Jr.
Assistant Secretary of State

**ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED**

DATE 5/16/83 BY SP1 BSRJC

228303

From: J. Edgar Hoover - Director, Federal Bureau of Investigation

Subject:

ANTI-AMERICAN DEMONSTRATION IN CHILE

This will confirm the information furnished telephonically to Mr. Dan Hanley of your Department this morning with respect to the reported anti-American demonstration allegedly planned to take place in Chile during Vice President Wallace's visit to that country.

It has also been stated that this demonstration is being financed through the Union Nacionalista.

Any information which is subsequently received concerning these alleged plans will be forwarded to you.

cc - Director of Naval Intelligence
Navy Department
Washington, D. C.

Major General George V. Strong
Assistant Chief of Staff
G-2, War Department
Washington, D. C.

COMMUNICATIONS SECTION
MAILED 12
★ MAY 20 1943 P.M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF DECLASS
DATE 7-23-77

RECEIVED - DEPT. OF
REPT. DIVISION
JUL 19 4 07 PM '43

51 APR 19 1943

Ernst

NY 1m

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

62-71788-2

March 18, 1943

VIA BUREAU RADIO

RECORDED

To: COMMUNICATIONS SECTION.

CONF. INFT.

b7D

Transmit the following message to:

SANTIAGO, CHILE

SPECIAL CIPHER PAD:

RE YOUR RADIOGRAM OF MARCH 18, 1943, CONCERNING
ANTI-AMERICAN DEMONSTRATION. ENDEAVOR TO OBTAIN
DEFINITE INFORMATION ON PLANS AND KEEP BUREAU
FULLY ADVISED.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP105/CJC
228303

NOTE: After approval, please send to Lab for transmittal

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Harbo _____
Mr. Hendon _____
Mr. McGuire _____
Mr. Mumford _____
Mr. Piper _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

2981
Encoded by MLL Time 1140
Checked by VEJ Time _____
Filed by _____

51 APR 19 1943

SENT VIA

Radio

1016 a M

Per

Radio
serial # 247
MAR 23 1943

L-50a

MR. TOLSON _____
MR. E.A. TAMM _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON _____
MR. COFFEY _____
MR. GARDNER _____
MR. MC GUIRE _____
MR. QUINN TAMM _____
MR. NEASE _____
MISS GANDY _____

~~CONFIDENTIAL~~

F.B.I. RADIOGRAM

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENTAL REVIEW COMMITTEE (DRC)
DATE: 4-9-87

Classified by 0010 SKS
Declassify on: OADR

DECODED COPY (S)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

S-14-83
27303

FROM SANTIAGO 3-18-43 NR 256 3:20 A.M.

NUMEROUS REPORTS INDICATE LARGE ANTI-AMERICAN DEMONSTRATION MIGHT
TAKE PLACE DURING WALLACE'S VISIT TO CHILE. THIS IS BEING PERPETRATED
BY AXIS MONEY THROUGH UNION NATIONALISTA COMING VIA A PRO TOTALITARIAN
CHILEAN ORGANIZATION.

CONF. INFT.

RECEIVED: 3-18-43 3:25 A.M. EWT MVK

02-71788-2

b7D

RECORDED

3/17/43
Telephoned to
San Francisco
State Dept.
WPK

3/2/86

Classified by 2042 PWD/pb
Declassify on: OADR

Letter to State one, 9-2
3/18/43 N.F. (S)
memo in 3/18/43

MAR 23 1943

~~CONFIDENTIAL~~

If the intelligence contained in the above message is to be disseminated
outside the Bureau, it is suggested that it be suitably paraphrased in
order to protect the Bureau's cryptographic systems. (S)

I-50a

MR. TOLSON _____
MR. E. A. TAMM _____
~~CONFIDENTIAL~~
MR. GLAVIN _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON *mc up* _____
MR. COFFEY _____
MR. QUINN TAMM _____
MR. NEASE _____
MISS GANDY _____

F.B.I. RADIOGRAM

228303
Classified by *ORIG SKJ* BY DEPARTMENT OF JUSTICE COMMITTEE (DRG)
DATE *4-8-87*
Declassify on: OADR *5-16-83*
☒ DECODED COPY *10*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

FROM LIMA 3-24-43 NR 205 12:27 PM EWT

DIRECTOR FROM RE OUR RADIOGRAM NUMBER IRA BROUGHT
OF SECRET SERVICE ARRIVED HERE LAST NIGHT TO MAKE ARRANGEMENTS
FOR ARRIVAL OF VICE PRESIDENT MARCH 25. DISCUSSED PLANS WITH
EMBASSY OFFICIALS AND DIVISION OF INVESTIGATION. DEPARTED
TODAY FOR SANTIAGO.

CONF. INFT.

RECEIVED 3-24-43 1:58 PM EWT MP

75 APR 1 1943

3/21/80
Classified by *3042 PWT/AB*
Declassify on: OADR *1-12-87-83-1400; 84-1423*

9
~~CONFIDENTIAL~~

If the intelligence contained in the above message is to be disseminated
outside the Bureau, it is suggested that it be suitably paraphrased in
order to protect the Bureau's cryptographic systems.

W. Kramolisch

~~CONFIDENTIAL~~

CHC
RJB

1 ADDRESS
EVERCITO STREET
SANTIAGO, Chile

501
[DECODE OF DOUBLE CODE] MESSAGE NR 279 FROM [] DATED MARCH 26, 1943, AT SANTIAGO, CHILE.

b7D

INFORMATION BELIEVED UNRELIABLE HAS ~~BEEN~~ BEEN RECEIVED THAT 12 NAZI CHILEANS WILL THROW BOMBS FROM ROOFS OF 3 ADDRESSES AT VICE-PRESIDENT WALLACE DURING PROCESSION FROM AIRPORT TO CENTER OF SANTIAGO ON MARCH 26. 3 ADDRESSES, ON EJERCITO STREET, ASCERTAINED TO NOT EXIST. INFORMATION GIVEN TO SECRET SERVICE MAN IN CHARGE OF PROTECTION OF WALLACE IMMEDIATELY ON RECEIPT THEREOF. NAMES OF 12 CHILEANS GIVEN TO INFORMANT [] FOR APPROPRIATE ACTION.

b7D

NOTE: THE UNDERLINED GROUPS WERE OBTAINED FROM GARBLES.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

[DECODED:] VMP
MESSAGE # 4641
3-29-43

62-71788-3
F B I
15 APR 5 1943
[]

b7D

Classified by *201/RS CTO*
Declassify on: OADR
5-16-83
228303

3/21/86
Classified by *3042 hwt/pb*
Declassify on: OADR
7-12-87 EX-39
appeal 83-1402
83-1453

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRG)
DATE: *4-9-87*

~~CONFIDENTIAL~~

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

13
30 MAY 8

1422

RDA:HS

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

CC-150.

To: COMMUNICATIONS SECTION.

March 24, 1943

Transmit the following message to:

b7D

RADIOGRAM VIA BUREAU RADIO

RE: VISIT VICE PRESIDENT WALLACE TO SANTIAGO, INFORMATION RECEIVED
JAPANESE MAKING MONEY AVAILABLE TO UNION NACIONALISTA FOR ANTI-AMERICAN
DEMONSTRATION. ENDEAVOR TO OBTAIN DEFINITE INFORMATION REGARDING PLANS.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1 BSG/JC

228303

*Radio 240
Serial 263*

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Harbo _____
Mr. Hendon _____
Mr. McGuire _____
Mr. Mumford _____
Mr. Piper _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

Encoded by *RL* Time _____
Checked by *RL* Time _____
Filed by _____

62-71788-4
5
8

SENT VIA *Bureau Radio* 3/27/43 3:36 PM

Per *WGH*

MR. TOLSON _____
MR. E.A. TAMM _____
MR. CLEGG _____
MR. GLAVIN _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON _____
MR. COFFEY _____
MR. HENDON _____
MR. KRAMER _____
MR. MC GUIRE _____
MR. QUINN TAMM _____
MR. NEASE _____
MISS GANDY _____

b6
b7c

F.B.I. RADIOGRAM

See President Henry Wallace

Classified by SP12345 DECODED COPY IX
Declassify on: OADR 5-16-83

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-8-87

CONF. FROM: LIMA 3-25-43
INFT: [redacted]
DIRE: [redacted]
AFTERNOON. DEPARTS

NR 208 8:19 PM EWT
VICE-PRESIDENT ARRIVED LIMA THIS
TOMORROW MORNING FOR CHILE.

Miss [unclear]
[unclear]

b7D

RECEIVED 3-25-43 8:47 PM EWT WAS
Classified by 3042 PWT/PB
Declassify on: OADR
1-10-87 83-400
OTHERWISE

COPIES DESTROYED

75 APR 17 1943 59 NOV 5 1964

RECORDED 31

62-71798-5
F B
5 APR 35

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

JOHN EDGAR HOOVER
DIRECTOR



EA:rls

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

March 26, 1943

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Coffey _____
Mr. Hendon _____
Mr. Kramer _____
Mr. McGuire _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Tele. Room _____
Mr. Nease _____
Miss Beahm _____
Miss Gandy _____

MEMORANDUM FOR MR. CARSON

RE: MEXICAN LABOR LEADER VICENTE LOMBARDO
RECOMMENDS ECUADORAN LABOR TO RENDER
HENRY WALLACE DESERVED HOMAGE

"TELEGRAFO," MARCH 17, 1943

An article gives the news that the labor leader cabled the Ecuadoran labor organizations asking that they pay fitting homage to Vice President Wallace during his visit to Ecuador on April 15, 1943. The article expresses the hope that this cable will do away with the difficulties created by the recent failure of the Fifth Labor Congress.

Respectfully submitted.

CONF. INFT.

b7D

**ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP185WPC
228303**

RECORDED & INDEXED
80-54
31

FOR DEFENSE



BUY
UNITED
STATES
SAVINGS
BONDS
AND STAMPS

60 APR 15 1943

62-71788-6
9 3 1943
[Handwritten signature]

Walter Kramolich
CONFIDENTIAL

F.B.I. RADIOGRAM

- MR. TOLSON
- MR. E.A. TAMM
- MR. CLEGG
- MR. GLAVIN
- MR. LADD
- MR. NICHOLS
- MR. TRACY
- MR. ROSEN
- MR. GURSON
- MR. COFFEY
- MR. HENDON
- MR. KRAMER
- MR. MC GUIRE
- MR. QUINN TAMM
- MR. NEASE
- MISS GANDY

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

DECODED COPY *FX*

CHS

FROM SANTIAGO 3-27-43 NR 281 3:45 AM EWT
VICE-PRESIDENT WALLACE ARRIVED SAFELY AND WAS ENTHUSIASTICALLY
RECEIVED.

RECEIVED 3-27-43 4:04 AM EWT CONF. INFT. HRH

5-16-83
Classified by *SP1/BSJ*
Declassify on: OADR

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)

DATE: 4-8-87
Classified by *3042 PUL/PB*
Declassify on: OADR

CONFIDENTIAL
62-71788-6X
15 APR 1 1943

If the intelligence contained in the above message is outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems

Henry A. O'Fallon

b7D

Santiago, Chile,
April 3, 1943.

Director,
Federal Bureau of Investigation,
Washington, D. C.

Dear Sir:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP1GSL/J
228303

RE: VISIT OF VICE PRESIDENT WALLACE.
CHILE: ADMINISTRATION.

For your general information I deem it advisable to give you a short resume of Vice President Wallace's visit in Chile and the part played by this office during his stay.

On March 15, 1943, I was called to the office of the Ambassador and advised that Mr. George F. Boos of the United States Secret Service would be in charge of the protection of Vice President Wallace during his visit in Chile. He was to be accompanied by Agents John Campion, Frank Davis, and Herbert Straley and Ira Brought. I was requested to assist these agents as much as possible in their work by acting as interpreter, providing means of transportation, etc.

On March 23 this office received a memorandum from Mr. Clarence Brooks, First Secretary of the Embassy, transmitting a list of approximately 100 employees who would serve in the house to be occupied by the Vice President. This memorandum requested that these names be checked against our files and any recommendations as to the dismissal of any of these individuals be made. This list was checked and two individuals were found to have records with our office. Accordingly they were not permitted to serve in the Vice President's house.

On March 24 this office received a memorandum from Mr. Lester Ziffren of the Coordinator's Office, setting out the individuals who would be utilized by that office in the preparation of radio broadcasts, telephone installations, etc. This list was checked against the files of our office and it was ascertained that three individuals should not be permitted to participate in this program.

During the week prior to the Vice President's visit, numerous reports were received by this office from informants and contacts to the effect that anti-American demonstrations would possibly take place during his stay. You were advised of this on March 17, 1943.

| |
|---------------------------------|
| 62-71788-7 |
| FEDERAL BUREAU OF INVESTIGATION |
| APR 14 1943 |
| U.S. DEPARTMENT OF JUSTICE |

ENCLOSURE

12-ENC

EX-3

MAY 6

Your attention has been directed to an individual by the name of Rudolfo von Gotschlich, who at one time threatened the lives of [redacted]

[redacted] This office received a report to the effect that this individual, along with twelve of the members of the Unión Nacionalista, would attempt to kill the Vice President by throwing a bomb into his car. This was reported to you in a cable of March 26, 1943, and it was immediately brought to the attention of Mr. Ira Brought who was in charge of the arrangements for the protection of the Vice President. A request was also made to Confidential Informant [redacted] to have this individual placed in jail during the remainder of the Vice President's visit. This was done.

b7D

On March 24 the writer took Mr. Brought to the Director General of Investigaciones and helped make arrangements for the stationing of certain Investigaciones agents at strategic points along the way to be used by the Vice President in coming from the airport. The writer also furnished transportation for Mr. Brought during the effecting of these arrangements.

On March 25 this office received a report from Confidential Informant [redacted] to the effect that certain delegates of the Catholic group who were to have an audience with the Vice President, intended to submit a question as to whether or not the Vice President is prepared to stop Protestant propaganda in South America, especially in Chile, since this Protestant propaganda originates in the United States. In view of the embarrassing nature of this question, it was deemed advisable to immediately call it to the attention of Mr. Donald Heath, Counselor of the Embassy, who in turn advised the Vice President that such a question might be submitted. I do not know whether, in fact, the Catholic representatives asked Mr. Wallace this question.

b7D

On March 29 this office was contacted by Fernando Marin Larrain, a well known "crackpot", who advised that according to the Bible, an attempt at Mr. Wallace's life would be made on March 30. No credence was given this report.

On March 26, at 2:25 p.m., a letter was delivered to this office by the Ambassador's secretary, which was signed by Manuel Prado Fernandez, a retired sergeant of the Carabineros, Dominica 599, telephone 67573, in which a threat against the life of the Vice President was made. A check of the files of this office reveals that a similar letter had been received approximately two months ago, threatening the life of the Ambassador. An investigation of this letter indicated that he is slightly unbalanced. However, the letter was turned over to Confidential Informant [redacted] along with a copy of the other letter contained in our files, and this individual was immediately taken into custody. On being questioned, it was ascertained that the letter was written by another individual residing at the same address, whose name the subject refused to divulge. At the present time an investigation is being conducted by Investigaciones through handwriting comparisons toward ascertaining the writer of this letter, and it is my understanding that he will be prosecuted as a result thereof.

b7D

On March 29 the writer was called to the Vice President's and advised that the Minister of Interior had stated that as a result of the control of telephones, a conversation had been intercepted of an unidentified individual in Buenos Aires calling Roberto Coronado, in which the individual in Buenos Aires stated to Coronado: "Obtain for me a conference with Vice President Wallace at any cost." An immediate investigation was conducted regarding Coronado and it was ascertained that he was an Argentine citizen residing in Santiago, and of a questionable reputation. A memorandum was submitted to the Ambassador setting out the results of the investigation. A copy of this memorandum is included in the report transmitting all memoranda submitted to the Embassy by this office during the week of March 27 - April 3, 1943. A surveillance was subsequently maintained on Coronado, and it was ascertained that he met one, Lucantis Dominguez, at Los Cerillos airport on April 1, 1943. It has been reported that the purpose of Dominguez's visit was to convey a personal message from President Castillo of the Argentine. A full and complete memorandum of the investigation conducted by this office regarding this matter was submitted to Mr. Brooks of the Embassy, who, in turn, called it to the attention of the Vice President. A copy of this memorandum is also included in the report transmitting all memoranda submitted to the Embassy by this office during the week of March 27 - April 3, 1943. It is not known whether or not an audience was granted to Dominguez by the Vice President.

Please find attached hereto a copy of the official program prepared by the Embassy for Vice President Wallace's visit.

Very truly yours,
CONF. INFT.

b7D

Enclosure.

See
64-3100-872

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP1BSEJCO
228303

ENCLOSURE

62-71788-7

62-71788-7

P R O G R A M

O F

VICE PRESIDENT WALLACE'S VISIT, MARCH 26.

- 0 -

March 26

5.30 a.m. Leave Lima by plane for Chile. From the frontier to Santiago the Panagra plane will be escorted successively by military planes of the Arica, Iquique, Antofagasta, et cetera Garrisons.

11.55 a.m. Arrive Arica. Received by Counselor of the Embassy of the United States in Chile, in representation of the American Ambassador, who will present him to the Under Secretary for Foreign Affairs, Enrique GAJARDO Villarroel,^X and the Vice President's Aides-de-Camp ad-hoc, Brigadier-General Nelson FUENZALIDA O'Ryan,^X and Comandante de Grupo (Colonel) Oscar HERREROS Walker,^X At Arica airport the military forces of the Garrison will render military honors; 21 guns.

12.30 p.m. Continue by air to Santiago accompanied by the Counselor of the Embassy of the United States, the Under Secretary for Foreign Affairs and military Aides-de-Camp.

5.35 p.m. Arrive Los Cerrillos airport, Santiago. As the plane lands the National Anthem of the United States will be played. He will be received by the Chief of Protocol, Luis RICHARD Valenzuela,^X who will escort him to the Reception Hall of the airport to the presence of His Excellency the President of the Republic, accompanied by his Cabinet,^{XX} and Chiefs of Missions^{XXX} accredited to Chile. At this time the Vice President will also be presented to his civil and naval Aides-de-Camp ad-hoc, Anibal JARA Letelier^X and Rear Admiral Emilio DAROCH Soto,^X respectively. After greeting His Excellency the President, the National Anthem of Chile will be played.

Military honors will be rendered by the Group of Anti-Aircraft Defense.

Departure in open automobiles of the Government for his ad-hoc quarters at Avenida O'Higgins 1642 by the following route: Melipilla Highway, Avenida Subercaseaux, Avenida Beaucheff, Avenida de la República, and Avenida Bernardo O'Higgins. The first automobile will be occupied by His Excellency the President of the Republic and his guest, the Vice President of the United States. The second automobile will be occupied by the Minister for Foreign Affairs, Joaquín FERNÁNDEZ Fernández,^X and Mr. Duggan. At the door of his ad-hoc residence he will be received by the President of the Military Club, Brigadier-General Oscar FUENTES Pantoja.^X Dark street clothes. Audience for newspapermen, possibly lasting 20 minutes. Popular demonstration along the route.

8.30 p.m.

The Vice President and Mr. Duggan will dine alone with the Ambassador.

x See biographical sketches.

xx President Rios' Cabinet:

| | | |
|----------------------|-----------------------------|-----------|
| Interior | Raul MORALES Beltrami | Radical |
| Foreign Affairs | Joaquin FERNANDEZ Fernández | Non-party |
| Finance | Guillermo DEL PEDREGAL | Non-party |
| Education | Benjamin CLARO Velasco | Radical |
| Justice | Oscar GAJARDO Villarreal | Liberal |
| National Defense | Alfredo DUHALDE Vasquez | Radical |
| Roads & Public Works | Ricardo BASCONAN Stonner | Non-party |
| Agriculture | Fernando MOLLER Borden | Radical |
| Lands & Colonization | Osvaldo FUENZALIDA Correa | Radical |
| Labor | Mariano BUSTOS Lagos | Democrat |
| Public Health | Jerónimo MENDEZ Arancibia | Radical |
| Economy & Commerce | Rodolfo JARAMILLO Bruce | Non-party |

xxx Missions, in residence, accredited to Chile (in order of precedence).

| | | |
|----------------|-------------------------------------|-------------------|
| Holy See | Monsignor Maurilio Silvani | Ambassador |
| United States | Hon. Claude G. Bowers | " |
| Brazil | Hon. Samuel de Souza-Leao Gracie | " |
| Peru | Hon. Antonio García Salazar | " |
| Great Britain | Hon. Sir Charles Orde | " |
| Argentina | Hon. Carlos Guiraldes | " |
| Spain | Hon. Marques de Luca de Tena | " |
| Bolivia | Hon. Alberto Ostria Gutierrez | " |
| Colombia | Hon. Agustin Nieto Caballero | " |
| Ecuador | Hon. Homero Viteri Lafronte | " |
| Mexico | Hon. Luis I. Rodriguez | " |
| Uruguay | Hon. Hugo V. de Pena | " |
| Belgium | Hon. Maxime Gerard | Minister |
| Guatemala | Hon. Virgilio Rodriguez Beteta | " |
| Portugal | Hon. Alexandre M. Ferraz de Andrade | " |
| Switzerland | Hon. Conrad C. Jenny | " |
| Poland | Hon. Ladislas Mazurkiewicz | " |
| France | Hon. Comte Paul D'Hybouvillle | " |
| Paraguay | Hon. José Dahlquist | " |
| Venezuela | Hon. Carlos Aristimuno Coll | " |
| Panama | Hon. Octavio Vallarino | " |
| Yugoslavia | Hon. Djuro Kolombatovic | " |
| Cuba | Hon. Enrique Pizai de Porras | " |
| China | Hon. P. C. Chang | " |
| Dominican Rep. | Hon. Tulio M. Cestero | " |
| Norway | Hon. Arild Huitfeldt | " |
| Canada | Hon. Warwick Chipman | " |
| Netherlands | Hon. H. G. von Oven | Chargé d'Affaires |
| Denmark | Christian Plaetner-Moller | " |
| Haiti | Hon. Colonel Gustave Larque | " |
| Sweden | Hon. Folke Wennerberg | " |

March 27

- 10.00 a.m. Protocol visit to His Excellency the President of the Republic with military escort. The troops of the Santiago Garrison will form from his residence to the Palace of the Moneda, the old colonial mint now the President's official residence and housing various ministries including that of Foreign Affairs.
- The Minister for Foreign Affairs, Joaquín FERNÁNDEZ Fernández, accompanied by Under Secretary GAJARDO, the Director of the Diplomatic Department, Fernando GARCIA Oldini^x and Chief of Protocol RENARD will call for him and will leave him at his residence in open automobiles of the Government, by the following route: Avenida O'Higgins, Morandé, Moneda, Testinos and Avenida O'Higgins. Dress; dark suits. First automobile, Vice President Wallace and Foreign Minister Fernández. Second automobile, Mr. Duggan and Under Secretary Gajardo.
- 11.30 a.m. Reception for the Chiefs of Missions in his residence.
(List of Missions in residence is annexed)
(to program for Friday, March 26.)
- 1.00 p.m. Small luncheon (16 persons) offered by His Excellency the President of the Republic at his new suburban residence "La Reina" located on a mountain side overlooking Santiago and the central valley.
- 6.00 p.m. Plenary session of the national legislature in the Salón de Honor of the National Congress, attended by the diplomatic corps. The President of the Senate, Florencio DURAN Bernaldes,^x will give the welcoming address, which will be replied to by Vice President Wallace.
- 7.30 p.m. Interviews with the active heads of social security organizations.
to 7.30 - Pedro FREEMAN, Executive Vice President of the Caja de Empleados Particulares.
8.15 p.m. 7.45 - Moises POBLETE Troncoso, Director General of the Caja de Seguro Obligatorio.
8.00 - Abraham ALCAINO, Director General of the Caja de Habitación Popular.
- 8.30 p.m. Meeting with American Colony and its leaders at the
to American Embassy.
9.15 p.m.
- 9.30 p.m. Small dinner at the American Embassy for United States officials in Santiago.

x See biographical sketches.

March 28

SUNDAY, MARCH 28.

- 9 a.m. Visit to the dairy "La Reina" of the Caja de Seguro Obrero (Workmen's Insurance Fund). This dairy is located close to Santiago; there are about 75 head of cattle--Holstein Frisians--including bulls imported from the United States. Probably the most modern dairy in Central Chile. The visiting party will be accompanied by Counselor of Embassy Heath and Agricultural Attaché Wilson. This event may be transferred to Saturday afternoon, March 27, while returning from President's luncheon.
- 1.30 p.m. Luncheon at the Club Hípico, offered by the Directorate of the Club Hípico,^x and special races in honor of Vice President Wallace during which the Vice President will walk through the crowds with President Ríos.
- 5.30 p.m. Homage by the UNION PARA LA VICTORIA at the National Stadium. Agricultural exposition. This will be an exhibition of Chilean farm products presented in a little park within the Stadium grounds. The public will not be permitted to view the stands until after the act of homage. Speakers at the homage: Minister for Foreign Affairs Joaquín Fernández Fernández, President of the Unión para la Victoria Marcial AGORA Miranda,^{xx} and the Vice President of the United States.
- 9.30 p.m. Banquet by His Excellency the President of the Republic at the Palace of the Moneda, attended by Cabinet Ministers, Chiefs of Foreign Diplomatic Missions and high public officials. Dress: tuxedo (men only).

x Directorate of Club Hípico:

| | |
|----------------------------|-----------|
| Enrique PEREZ Riesco, | President |
| Washington BANNEN | Director |
| Pedro GARCIA DE LA HUERTA | " |
| Roberto LARRAIN Mancheño | " |
| Luis Gutierrez Allende | " |
| Jorge PRIETO Letelier | " |
| Fernando SANTA CRUZ Wilson | " |
| Manuel VALDES Sanchez | " |
| Geoffrey Bushell | " |

xx See biographical sketches.

March 29

- 9.00 a.m. Interviews with leaders in the fields of labor, agriculture, commerce, industry, social welfare and politics (Tentative schedule).
to
- 12.30 p.m. 9.00 a.m. - Graciela Mandujano; liberal, progressive social worker.
- 9.15 a.m. - Edmundo Frei accompanied by Bernardo Leighton and Manuel Garreton; members of the Falange Party composed of young Catholic idealists.
- 9.30 a.m. - Father Weigel, American Jesuit priest; Dean of School of Theology, Catholic University.
- 9.45 a.m. - Gustavo Ross Santa María, economist, financier, presidential candidate in 1938.
- 10.00 am. - Horacio Walker, Conservative; Senator, former president of the Conservative Party.
- 10.15 a.m.- Bernardo Ibañez, President of the Chilean Confederation of Labor accompanied by representatives of this organization.
to
- 10.45 a.m. 10.45 a.m.- Eugenio Pereira, Francisco Walker Linares and Domingo Santa Cruz; representing the Chilean North American Cultural Institute.
- 11.00 a.m.- Dr. Cristobal Saenz; former Foreign Minister; used to be one of the ten largest wheat growers in the world.
- 11.15 a.m.- Irma Salas; progressive educator, head of the Liceo Experimental Manuel Salas.
- 11.30 a.m.- Dr. Jerónimo Méndez A., Minister of Public Health and Dr. Eugenio Suarez, Chief of the Department of Sanitation.
- 11.45 a.m.- Dr. Leonardo Guzmán,^x Vice President of the Unión para la Victoria.
- 12.00 noon- Open.
- 12.15 p.m.- Open.
- 1.00 p.m. Luncheon offered by the Armed Forces of Chile at the Unión Club.
- 3.00 p.m. Visits to the farms (fundos) in and around Pirque, 25 kilometers from Santiago, terminating with a reception offered by the Sociedad Nacional de Agricultura^{2x} at its Hacienda "Las Majadas" in Pirque. This Hacienda is a very typical old time Chilean farm with colonial structures. Presentation at Las Majadas of a gold medal
to
- 6.00 p.m.

by the Sociedad Nacional de Agricultura. The Vice President will be accompanied on these visits by the American Ambassador and Agricultural Attaché Wilson.

8.00 p.m. Leave Alameda Station (Santiago) in special train for Concepción. Overnight trip. On the trip south the Vice President will be accompanied by the American Ambassador, Secretary Lyon and Agricultural Attaché. The visiting party will also probably include the Minister of Economy and Commerce, Rodolfo JARAMILLO Bryce^x and Minister of Agriculture, Fernando MOLLER Borden.^x

x See biographical sketches.

xx Officers and directors of the Sociedad Nacional de Agricultura.

Maximo Valdés Fontecilla, President.
Manuel Escobar Moreira, Vice President.
D. Luis Barros Borgoño, Honorary Director.
René Silva Espejo, Secretary.

Directors:

Carlos Allende N.
Daniel Armanet F.
Manuel A. Artaza.
Jorge Baraona.
Carlos Cavallero.
Alfredo Cerda J.
Luis Correa Vergara.
Jorge Covarrubias Sanchez.
Miguel Covarrubias V.
Juan B'Etigny.
Francisco Dominguez E.,
Joaquín Echenique L.
Javier Errázuriz M.
Victor García.
Carlos Haverbeck.
Salvador Izquierdo.
Rodolfo Jaramillo.
Horacio Johnson.
José Manuel Larrain E.
Jaime Larrain.
Jorge Lazcano Valdez.
Miguel Letelier E.
Alberto Llona B.
Manuel Merino E.
Fernando Moller B.
Edmundo Moller B.
Eduardo Moore M.
Nicolás Moreno F.
Ramón Noguera F.
Max Nusser.
Victor Opazo C.
Recaredo Ossa U.
Carlos Rozas Larrain.
Manuel Rozas A.
Guillermo Ruiz Tagle.
Cristobal Sáenz.
Ismael Tocornal.
Leoncio Toro.

March 30

TUESDAY, MARCH 20

- 9.00 a.m. Special train reaches Chiquayante Station. The Vice President will be received by the Intendente (Governor) of the Province, Armando ALARGON del Canto and other local authorities. A visit will be made to the textile factories of W. R. Grace & Co.
- 10.30 a.m. Special train arrives at Talcahuano, the principal Chilean Naval Base and site of the largest dry-dock on the West Coast of South America. Chile's largest naval vessel, the Almirante La Torre, will be anchored in the port.
- 11.30 a.m. To Concepción by train. This city, the third most important in the Republic, was severely damaged by the earthquake of 1939 and is being rebuilt. A visit will be made to the University of Concepción.
- 12.00 noon Leave by train for Lota, the nation's principal coal producing area.
- 1.00 p.m. Luncheon at the old Cousiño Mansion in Lota Park followed by a visit to the Lota and Schwager coal mines which extend several miles under the sea.
- 4.00 p.m. Popular demonstration at the Lota Stadium.
- 6.30 p.m. Interviews will be arranged with agriculturists, representatives of social welfare institutions and labor leaders of the region.
- 8.00 p.m. Special train leaves Lota for Pto. Lequeén.

March 31

WEDNESDAY, MARCH 31

- 10.00 a.m. Special train reaches "La Rosa" farm at Pelequén, the property of Recaredo OSSA Undurraga and the OSSA family. This "fundo" produces diversified crops; Chilean hemp, fruits, oilseed, vegetables, poultry, etc. Employes approximately 300 workers. More than 1,000 hectares of land are worked under irrigation.
- 1.00 p.m. Luncheon at the "Fundo".
- 4:00 p.m. Return to Santiago by special train.
- 9:30 p.m. Dinner tendered by Vice President Wallace at the Embassy of the United States for His Excellency, the President of the Republic, followed by a large reception.

THURSDAY, APRIL 3.

- 8.00 a.m. Departs on special train for Valparaiso with His Excellency the President of the Republic. The Counselor of Embassy for Economic Affairs Butrick and the American Naval Attaché Rockwell will accompany the visiting party.
- 9.30 a.m. Stop over at Llai-Llai to visit the fruit packing plant and property of the Cia. Frutera Sud-Americana. This concern packs and ships a large part of the fruit entering the export trade.
- 11.00 a.m. Arrive at Valparaiso where the Vice President will be tendered a brief reception by the Intendente (Governor) of Valparaiso Gaston HAMEL S.
- 1.00 p.m. Luncheon at Parque del Salitre del Olivar, Villa del Mar, by the Corporación de ventas de Salitre y Yodo.^x
- 3.30 p.m. Visit to the Universidad Tecnica "FEDERICO SANTA MARIA", Valparaiso, the country's leading technical school. This institution has a number of European instructors.
- 4.30 p.m. Return to Santiago by automobile via Casablanca and Curacavi.
- 6.00 p.m. Reception by the Directorate^{xx} of the Union Club, Santiago.

x Officers and directors of the CORPORACION DE VENTAS DE SALITRE Y YODO:

Guillermo del Pedregal
Jorge Vidal
Pedro Alvarez Suarez
Florencio Garcia
Fernando Mardones R.
Luis Alamos Barros
Rolando Merino
Pedro Alvarez Suarez
David Blair
Osvaldo F. de Castro
Horneo H. Graham
Alfredo Lagarrigue
Juan Latorre Izquierdo
Jorge Vidal
Medley G. B. Whelpley
Reginald F. Doublet
Alejandro Echegoyen
Fred Low
R. Paul Miller

President
1st. Executive Vice President
2nd. Executive Vice President
General Manager
Asst. General Manager
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Substitute Director
Substitute director
Substitute Director
Substitute Director

Officers and Directors of the CORPORACION DE VENTAS DE SALITRE Y YODO (Cont'd.):

Enrique Valenzuela
Joaquin Yrarrazaval
Luis Serrano Arrieta

Substitute Director
Substitute Director
Substitute Director

XX Officers and directors of the UNION CLUB, Santiago.

Guillermo Edwards Matte
Guillermo de Aguero Harboso
Domingo Amunategui Lecaros
Luis Mackenna Ovalle
Hector Marchant Blanlot
Hernan Prieto Subercaseaux
Juan Undurraga Fernandez
Fermin Vergara Figueroa
Ricardo Yrarrasaval Rojas

President
Director
Director
Director
Director
Director
Director
Director
Director

April 1

THURSDAY, APRIL 2.

- 8.00 a.m. Departs on special train for Valparaiso with His Excellency the President of the Republic. The Counselor of Embassy for Economic Affairs Butrick and the American Naval Attaché Rockwell will accompany the visiting party.
- 9.30 a.m. Stop over at Llai-Llai to visit the fruit packing plant and property of the Cia. Frutera Sud-Americana. This concern packs and ships a large part of the fruit entering the export trade.
- 11.00 a.m. Arrive at Valparaiso where the Vice President will be tendered a brief reception by the Intendente (Governor) of Valparaiso Gaston HAMEL E.
- 1.00 p.m. Luncheon at Parque del Salitre del Olivar, Villa del Mar, by the Corporación de ventas de Salitre y Yodo.^x
- 3.30 p.m. Visit to the Universidad Tecnica "FEDERICO SANTA MARIA", Valparaiso, the country's leading technical school. This institution has a number of European instructors.
- 4.30 p.m. Return to Santiago by automobile via Casablanca and Curacavi.
- 8.00 p.m. Reception by the Directorate^{xx} of the Union Club, Santiago.

x Officers and directors of the CORPORACION DE VENTAS DE SALITRE Y YODO:

Guillermo del Pedregal
Jorge Vidal
Pedro Alvarez Suarez
Florencio Garcia
Fernando Mardones R.
Luis Alamos Barros
Rolando Marino
Pedro Alvarez Suarez
David Blair
Osvaldo F. de Castro
Horace R. Graham
Alfredo Lagarrigue
Juan Latorre Izquierdo
Jorge Vidal
Medley G. B. Whelpley
Reginald F. Doublet
Alejandro Echegoyen
Fred Low
R. Paul Miller

President
1st. Executive Vice President
2nd. Executive Vice President
General Manager
Asst. General Manager
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Substitute Director
Substitute director
Substitute Director
Substitute Director

Officers and Directors of the CORPORACION DE VENTAS DE SALITRE Y YODO (Cont'd.):

Enrique Valenzuela
Joaquin Yrarrazaval
Luis Serrano Arrieta

Substitute Director
Substitute Director
Substitute Director

II Officers and directors of the UNION CLUB, Santiago.

Guillermo Edwards Matte
Guillermo de Agüero Herboso
Domingo Amunátegui Lecaros
Luis Mackenna Ovalle
Rector Marchant Blanlot
Hernán Prieto Subercaseaux
Juan Undurraga Fernández
Fermín Vergara Figueroa
Ricardo Yrarrazaval Rojas

President
Director
Director
Director
Director
Director
Director
Director
Director

April 2

FRIDAY, APRIL 2

- 6.45 a.m. Leave Los Cerrillos Airport for Antofagasta by Panagra plane. Counselor of Embassy Heath and an attaché of the Mission will accompany the party on the trip to northern Chile. Minister of Finance del Pedregal may also accompany the Vice President on his visit to the nitrate fields and copper properties.
- 11.20 a.m. Arrive at Antofagasta where the Vice President will be received by the Intendente (Governor) of the Province, Arturo RAMIREZ Baeza, and other provincial authorities. The party will depart immediately by automobile for the nitrate desert and nitrate plants.
- 1.00 p.m. Luncheon at the Maria Elena Nitrate Oficina followed by visits there and to the Pedro de Valdivia Nitrate Oficina, the world's largest plant producing natural nitrate.
- 9.00 p.m. Dinner at the Pedro de Valdivia Nitrate Oficina where the Vice President will spend the night.

April 3 & 4

SATURDAY, APRIL 3

- 7.00 a.m. Leave by automobile for Chuquicamata.
- 8.30 a.m. Arrive at Chuquicamata for visit to the property of the Chile Exploration Company operating open pit mines. This property has the largest copper ore reserves of any concern now producing copper.
- 1.00 p.m. Luncheon at the Chile Exploration Company, Chuquicamata.
- 9.00 p.m. Dinner at the Chile Exploration Company, Chuquicamata.
- 10.30 p.m. Leave Chuquicamata for Calama to take train for return to Antofagasta.
- 11.00 p.m. Leave Calama for Antofagasta by special night train. Overnight trip.

SUNDAY, APRIL 4

- 8.00 a.m. Arrive at Antofagasta, rainless port for nitrate and copper. Visit to the City.
- 10.00 a.m. Farewell reception at the Intendency of Antofagasta. Military honors will be rendered at the airport by the troops of the garrison.
- 11.35 p.m. Leave on Panagra plane for Arica enroute to Arequipa, Peru. The Under Secretary for Foreign Affairs, the Counselor of the Embassy of the United States in representation of the American Ambassador and Chilean aides-de-camp ad hoc will accompany the Vice President to Arica. As the plane rises, the United States National Anthem will be played. Salute of 21 guns.
- 1.40 p.m. Arrive at frontier (Arica). Plane departs immediately thereafter for Arequipa, Peru.

OFFICE OF THE LEGAL ATTACHE
LEGATION OF THE UNITED STATES
SAN JOSE, COSTA RICA
April 5, 1943.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP1GSKCJ
228303

Hon. John Edgar Hoover,
Director,
Federal Bureau of Investigation,
United States Department of Justice,
Washington, D. C.

Dear Sir:

There is transmitted herewith a translation of a letter written by MANUEL MORA, Leader of the Communist Party, to HENRY A. WALLACE, Vice President of the United States, which appeared in the "Trabajo", local Communist newspaper.

The above translation was obtained by

Very truly yours,

JAW:rpg

Enc.

CONF. INFT.

*No dist. necess.
as avail. to all
agencies.
C. E. Y.*

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&
INDEXED
14

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| 62-71788-8 | |
| FEDERAL BUREAU OF INVESTIGATION | |
| A - APR 15 1943 | |
| U. S. DEPARTMENT OF JUSTICE | |

EX-304

75 MAY 8 1943

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

San José, Costa Rica,
April 5, 1943.

DATE 5/16/83 BY SP1GSKJc

Memorandum for the file

228303

There is set out below the contents of a letter written by MANUEL MORA, Leader of the Communist Party and Candidate to the Presidential power, to HENRY A. WALLACE, Vice President of the United States,

"Dear Mr. Wallace;

The Communists of Costa Rica are taking part, with much enthusiasm, in the homage that the people of this country are offering you.

In these moments of international confusion we have great faith in you.

We know very well that your philosophical ideas, as well as many of your points of view in economic matters, are opposite to our convictions, but we know also that you are honest and capable of listening to the voice of conscience and able to understand the basic demands of a period of great changes in the history of humanity and that is the reason for which we believe in you, although you are far from being a Communist.

Mr. WALLACE, will you ever become the President of the U.S.A? Will it be in your destiny to succeed President ROOSEVELT?

If the organized labor of Latin America had voice and were able to vote in the presidential election in the U.S.A. it is probable that they would vote for you.

It is well known, that the Communist Party is anti-imperialistic, and for that reason we are against the monstrous organization of the North American trusts who in their insatiable anxiety to accumulate profits fill our people with misery and do away with all liberty. Mr. WALLACE, is it not true that you are opposed to this cursed machinery of oppression and death?

Are we not right in thinking and stating that HENRY A. WALLACE is at the head of a progressive movement that has its roots in the hearts of American people, and is not in favor of the imperialistic movement that its roots in the vaults of Wall Street?

Mr. WALLACE, we are not so simple minded as to believe that imperialism is a phenomena which can be furthered or held back through of one man, be he a genius or the President of the U. S. A. We understand very well that imperialism is the outcome of mass production in the countries made possible by complete organization, but on the other hand we have not lost sight of the fact that the world is being transformed.

the war which has involved all the continents will not leave things as they were. Regarding this matter, we remember your own words advocating a reorganization of the world with the view to correct, as far as possible, the defects of the present system.

The destiny of the U. S. A. will have to be decided either by the popular forces of democracy or by the retrograde forces of imperialism.

You and Mr. ROOSEVELT stand by the former forces and will be the leaders of the just fight that we are longing for.

We are very glad to know that you are coming here with the determination to inquire into some of our problems. We trust that your desires may be carried out and that the representatives of power that surround you do not succeed in obscuring your vision.

You are going to be with us only few days and in these few days it will not be possible for you to see all that you should be shown; but perhaps you will be able to get an approximate idea of some of the problems internationally associated with the relation of Latin America and the U. S. A.

Have you received any complaints, Mr. WALLACE, of the dreadful manner in which the United Fruit Co. deals with our people?

Are you aware of the fact that this company has created, among the masses of the workers, an atmosphere of distrust towards your country?

This distrust is combatted daily by the organizations of the Communist Party which does not concur in attributing to the people of the U. S. A. the crimes committed by an unfair company; but nevertheless, very often, in the minds of the ignorant laborers, the crimes committed by the former leave a deeper impression than our doctrinal arguments.

The Zones of the United Fruit Company in Costa Rica are breeding places of ill feeling toward your country due to the treatment given by the outstanding men of the company.

In these Zones we have heard many times this saying, "Why should we wish for the triumph of the U. S. A. in this war, if we are exploited and trodden down by trusts?"

Frequently this is to be heard, "The crimes committed by Hitler cannot be worse than those under which we live and die in the hands of the United Fruit Company."

Some of the working men have a feeling of secret joy when the armies of the U. S. A. suffer a reverse. Probably that joy is caused by a resentment

because of the manner in which they have been treated.

It will be well that you should realize the attitude of these masses. To conceal it from you would be to betray the cause and the ideals of democracy.

At one time in the bosom of an anti-totalitarian organization here, we discussed with great alarm this problem which we have just put before you and we made to ourselves the following question: "Should the army of the U. S. A. be beaten in the Pacific and should an invasion of our country by the Germans be imminent; would the masses, victims of the trusts, respond the call of the continental defense?"

The answer unfortunately was not satisfactory. Since then we resolved to double our anti-totalitarian campaign in the territory of the United Fruit Company, but to no avail because of the fear inculcated in the laborers by them.

And now that we are discussing these matters let us digress a bit and advise you as to what happened in Panama. There the situation for the Costa Ricans was appalling. The rough foremen engaged by the Company have succeeded in sowing the seeds of hate for the trusts among the masses of Latin American workers. There they have two categories of men: Those who belong to the silver roll and those who belong to the gold roll.

To the gold roll the North Americans and to the silver roll the Latin Americans and the colored people.

For the former the Canal Zone is a kind of Paradise. For the latter it is more like hell. There the Latin Americans are dogs. They are kicked and humiliated. They are made to feel the racial superiority of the North Americans.

The matter is entirely different with regard to the Costa Ricans, but that does not make matters better. The Costa Ricans who observed the treatment of Latin Americans in that zone, frequently asked us, why do North Americans resent Hitler's theory of racial supremacy while maintaining an equally insolent attitude themselves.

Mr. WALLACE it must not escape your observations that in the very zone of the Canal, the United Fruit Company and the unintelligent foremen are engendering human gun powder.

The U. S. A. is fighting for the triumph of democracy and against the absurd theory of racial supremacy. You and Mr. ROOSEVELT are the outstanding leaders in the eyes of the nations in this dreadful war. Do not let the vested interests nullify your titanic struggle for the success of your ideals. Remember that totalitarianism is due not only to the agents of Hitler.

4-5-43

Remember too that besides the trusts there is another source of totalitarianism. The tyrants who rule in Latin America and who are backed by the U. S. A.

There are many despots recognized by everybody who carry the name of democrats with the approbation of the diplomatic representatives of the government of the States. Perhaps you may reply to us that your country does not intervene in the internal politics of the Latin American countries.

You may be right but you cannot deny that the people of any country where liberty is an empty word and crime is the formula which solves social problems will never understand the meaning of democracy especially when the tyrants and the high class thieves whom they know are those who flaunt the standards of liberty.

Allow us, Mr. WALLACE, to return to the affairs of our own country. We are aware of the fact that you are going to the United Fruit Company. We hope that you profit by this visit, but we fear that you may not be able to do it. Several years ago a kind hearted Costa Rican President took pity on the laborers and went to pay them a visit, but the United Fruit Company succeeded in putting up a show "Ad hoc" in order to give the President an entirely different viewpoint concerning the reality that he should have faced.

It is well that you know that in the Banana Zone, Costa Rica does not have full control of the people who live there. The Government of Costa Rica pays the authorities a very low salary to which the Company adds an almost equal amount in order to make use of their services in the interest of the Company.

Whenever it pleases the company, it throws out a Costa Rican farmer and confiscates his land or takes a group of laborers and sends them to the interior just as Hitler would do when he thinks that a man is undesirable, but does not deserve death.

The Government of Costa Rica could hardly fight a company like the United because in doing so it would find itself opposing the American Legation.

Mr. WALLACE, you have no idea of the way in which human beings of the white race live in the dominion of the United Fruit Company. We assure you that this company deals better with the mules than with our laborers.

If you had been accompanied by a working man in your visit to the Zone of the United Fruit Company, perhaps you would have been able to see some of the things which otherwise will be completely concealed from you.

In Costa Rica, Mr. WALLACE, all the business enterprises of the country have been compelled by law to raise the salaries of the laborers and yet the United Fruit Company and the Electric Light Company have refused to obey and have even made fun of the government.

A short time ago a strike broke out on the Pacific side, the strikers demanding better living conditions. The United Fruit blamed the Communists for it and the President of the Republic, Dr. CALDERON GUARDIA, whom everybody respects and loves because of his sympathy of the poor, went to the Banana Zone and interviewed the leaders in order to settle the matter. He begged them to stop the movement and promised them to appeal to the Company so that the leaders would take into consideration the demands of the laborers.

Shortly after the company dismissed all the leaders and demanded that they leave the Zone immediately. They were then placed on a black list and the simple minded ones of the group were terrorized and intimidated. However, the President of the country did obtain from the Manager of the Company a promise to better the living conditions of the laborers; but time has past and the promise has not yet been fulfilled.

Knowing that you are a man of great integrity, who sincerely wishes for a better understanding between Costa Rica and the U. S. A., we are bringing these facts to your attention in the hope that you will use your influence in behalf of these people whose only hope of salvation is through the democratic way of life.

Truly yours,

Mannual Mora"

L-50a

MR. TOLSON _____

~~CONFIDENTIAL~~

MR. GLAVIN _____

MR. LADD _____

MR. NICHOLS _____

MR. TRACY _____

MR. ROSEN _____

MR. CARSON _____

MR. COFFEE _____

MR. HENDON _____

MR. KRAMER _____

MR. MC GUIRE _____

MR. QUINN TAMM _____

MR. NEASE _____

MISS GANDY _____

F.B.I. RADIOGRAM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

me
Classified by 228303
Declassify on: OADR

[DECODED COPY] (X)

FROM LIMA 4-15-43 NR 248 6:04 PM EWT *Butam*

DIRECTOR FROM VICE-PRESIDENT WALLACE DEPARTED FOR
GUAYAQUIL TODAY. CONF. INFT. *Miss Kramolisch*

RECEIVED: 4-15-43 7:08 PM EWT

VMP

G. Truby
62-74788-9

F B I

24 APR 19 1943

3/21/86
Classified by 1628 RFP/PB
Declassify on: OADR

OADR

RECORDED

CLASSIFIED DECISIONS FINALIZED
BY DEPT. OF JUSTICE (DRC)
DATE: 4-8-87

30 APR 30 1943

If the intelligence contained in the above message is to
outside the Bureau, it is suggested that it be suitably paraphrased in
order to protect the Bureau's cryptographic systems. (X)

~~CONFIDENTIAL~~

b7D

L-50a

MR. TOLSON _____
MR. E. A. TAMM _____
CONFIDENTIAL
MR. GLAVIN _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON _____
MR. COFFEY _____
MR. HENDON _____
MR. KRAMER _____
MR. MC GUIRE _____
MR. QUINN TAMM _____
MR. NEASE _____
MISS GANDY _____

F.B.I. RADIOGRAM

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 4-8-87 BY SP-10 JED

RECEIVED COMMITTEE (PRO) ENCODED COPY **78**

4-8-87

FROM LIMA 4-12-43 NR 244

6:12 PM EWT

DIRECTOR FROM
4:00 P.M. TODAY.

VICE-PRESIDENT WALLACE ARRIVED LIMA

RECEIVED: 4-12-43 6:13 PM EWT

CONF. INFT.

VMP

HENRY A. WALLACE

Classified by SP-10 JED
Declassify on: OADR

S-16-F3

228303

3/21/86

Classified By

3042 PGT/PB

OADR

Declassify on:

1/12/87 appeal 83-1400

24

APR

1943

CONFIDENTIAL

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems

50a

MR. TOLSON _____
MR. E. A. TAMM _____
~~CONFIDENTIAL~~
MR. GLAVIN _____
MR. LADD _____
MR. NICHOLS _____
MR. TRACY _____
MR. ROSEN _____
MR. CARSON _____
MR. KRAMER _____
MR. MCGUIRE _____
MR. QUINN TAMM _____
MR. NEASE _____
MISS GANDY _____

F. B. I. RADIOGRAM

Classified by DDIBS/STC
Declassify on: OADR
5-18-83
228303

[DECODED COPY] *fx*

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

FROM LIMA 4-8-43 NR 239 1:24 PM EWT

DIRECTOR FROM [redacted] NUMBER [redacted] ADVISED THAT ALL THE POLITICAL
APRISTA PRISONERS IN CONCENTRATION CAMPS WILL GO ON A HUNGER
STRIKE WHILE VICE-PRESIDENT WALLACE IS IN PERU AS A SYMBOL OF
HOMAGE. CITE. INFT: [redacted]

RECEIVED 4-8-43 3:29 PM EWT

Henry A. Wallace

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENTAL REVIEW COMMITTEE (DRC)
DATE: 4-8-87 *appel 83-1400*
-142

24 APR 19 1943

~~CONFIDENTIAL~~

If the intelligence contained in the above message is
outside the Bureau, it is suggested that it be suitably paraphrased in
order to protect the Bureau's cryptographic systems

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b7D

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| | | | |
|-----------------|-----------------|-----------------------------|-----|
| PLACE: Quito | DATE: 4/5/43 | REPORTED BY: <div></div> | b7D |
|-----------------|-----------------|-----------------------------|-----|

TITLE:
Visit of Vice President Henry WALLACE

CHARACTER:
Ecuador - Political

SYNOPSIS:

The opposition to Arroyo take three views with reference to the trip of Wallace: The Conservatives want to take part in it and try to make Wallace feel like only the Government is interested in his visit. The parties to the left like Wallace and think that it is a good time to show him that Arroyo does not represent the will of the Ecuadoran people. The other group, who are enemies of the U.S.A., spread rumors that he is coming to further enslave Ecuador and would like to create an embarrassing situation for Wallace if possible. Arroyo has given orders that no one should have a private interview with Wallace who is not a friend of the Government.

COMMENTS: NONE

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DATE 5/16/83 BY SP1 GSK/CO
228303.

STATUS:

REFERENCE: NONE

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| FEDERAL BUREAU OF INVESTIGATION A - APR 21 1943 U. S. DEPARTMENT OF JUSTICE |
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b7D

QUITO ECUADOR
APRIL 1, 1943

POLITICAL MATTERS IN ECUADOR

Informant [] tells me that the opposition to the government of Arroyo takes three different views with reference to the visit to Ecuador of Vice-President of the United States, Henry Wallace.

b7D

The Conservatives and persons to the extreme right have agreed to take no part what ever in the reception of Wallace and try to give Wallace the view that the Ecuadorean people are hostile to him and that only the Government itself is making an effort to entertain him, saying that the government is the one that is receiving money and orders from the United States.

The members of the opposition to the left are admirers of Wallace and want to take advantage of his visit to demonstrate to him that the Government of Arroyo is not the government of the Ecuadorean people, and that it is only a dictatorship under Arroyo.

Another group which is fortunately small are strictly enemies of the USA and are spreading rumors that he is coming to Ecuador for the purpose of further enslaving Ecuador to the Economic whim of the States. They would like to create a situation or do something that would be embarrassing to Wallace.

Informant [] tells me that his plans for having a typical Ecuadorean party for Wallace have fallen completely thru because he could not guarantee Arroyo that those invited would not criticize the government of Arroyo. Further, Arroyo has given instructions that none of the leaders of the opposition who want to have private interviews with Wallace should be allowed to do so, and intends to surround him with close friends of the government in an endeavor to prevent any criticism of same.

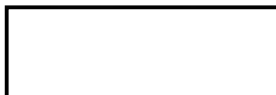
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PLACE:

Quito, Ecuador

DATE:

4-9-43

REPORTED BY:



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TITLE:


Political Activity
Visit of Vice-President WALLACE
to Ecuador.

Henry A. Wallace

CHARACTER:

Ecuador Political.

SYNOPSIS:

(This information was secured from  through Dr. Vicente TRUJILLO. Dr. TRUJILLO is a local lawyer, professor in the law school at the Guayaquil University, and politician. It has been ascertained through reliable sources that Dr. TRUJILLO is a confident of Pedro SAAD, local labor leader and organizer. He is furthermore credited with being the "brains" of SAAD. This relationship extends back for several years. THIS INFORMATION IS FOR THE USE OF THE BUREAU ONLY.

b7D

At this time SAAD is being held incommunicado in the local jails, so the unions have not been able to contact him since his imprisonment.)

The unions principal subject of interest to discuss with WALLACE should they obtain an interview would be the "Procotolo de Rio Janeiro" of January, 1942. As yet there have been no indications that they are interested in the "balsa wood" question.

COMMENTS:

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STATUS: PENDING

REFERENCE: Report dated 4-8-43, entitled Political Activity, etc., Character, Ecuador Political.

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62-71788-13
FEDERAL BUREAU OF INVESTIGATION
K - APR 28 1943
U. S. DEPARTMENT OF JUSTICE

b7D

Guayaquil, Ecuador.
April 9, 1943.

Re: Political Activity
Visit of Vice-President WALLACE
to Ecuador.

Reference is made to report dated 4-8-43, entitled Political Activity, etc., Character, Ecuador Political. That report dealt principally with the efforts of the labor groups in Guayaquil to obtain a recognized part in the reception in Guayaquil for Vice-President WALLACE while he is in this city, the refusal, and the potential possibilities arising out of the refusal which might be embarrassing to the United States.

Through a source of information which is believed to be reliable and which access to the leaders of the labor groups in the city, a request was made to ascertain would be the principal subjects broached to WALLACE should they be able to obtain an interview with him.

It has been ascertained that the group which is most powerful and headed by Pedro SAAD, Union Sindical Guayas, desire to talk with WALLACE about the Protocolo de Rio Janeiro - the settlement of the Ecuadorian-Peruvian Border Dispute in January, 1942, which many here are displeased with.

The ~~next~~ next most powerful group which is known as the Confederación Obrera, have not consulted with the Union Sindical Guayas, but it is believed that it is also interested in the same subject.

The Consul General was particularly interested in whether or not the "balsa wood" subject, with regard to prices and the manner in which it has been handled, would be one of their principal points of discussion. My informant has advised me that at this time there have not been any indications that the labor groups would consider this matter as one of their primary points of discussion.

Should the balsa wood question come into the interviews with WALLACE, it would most likely be advanced by the "Cámara de Comercio".

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PROPOSED ACTION

At Guayaquil, Ecuador.

Continue to follow closely the attitude of the labor groups and any action they might take during the visit of Vice-President WALLACE.

Follow up leads set out in report dated 4-8-43

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X

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| PLACE: Quito | DATE: 4-8-43 | REPORTED BY: <div style="border: 1px solid black; width: 80px; height: 25px;"></div> |
| TITLE: Political Activity Visit of Vice-President WALLACE to Ecuador. <i>Henry A. Wallace</i> | | CHARACTER: Ecuador Political |

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SYNOPSIS:

This information has been secured from and

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As a result of activities in connection with the CONGRESO OBREROS recently held in Quito, Pedro SAAD, on his return to Guayaquil was arrested. He is director of the largest and strongest syndicate of labor unions in Guayaquil. Numerous telegrams from labor unions have been directed to ARROYO requesting his release. Release has not been granted.

Labor groups seeking to obtain spot on WALLACE reception program have been refused.

COMMENTS: Possibility of incident arising out of this which might be embarrassing.

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DATE 5/16/83 BY SP10SKJC

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STATUS: PENDING

REFERENCE: Report dated 3-20-43 entitled CONGRESO OBREROS, etc., Character Ecuador Political & R. 34

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Guayaquil, Ecuador.

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DATE 5/16/83

BY SP1GSKJ

Re: Political Activity

Visit of Vice-President WALLACE
to Ecuador.

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Reference is made to report dated 3-20-43 entitled CONGRESO OBREROS, etc. Character, Ecuador Political - R which concerned a workers congress in Quito and the political ramifications.

On the return of Pedro SAAD, Guayaquil labor leader, communist, and member of the local Anti-Nazifascist Committee, he was arrested on orders from Quito and has been in jail since. The date of the arrest was the first part of the week beginning March 21.

This office has intercepted a number of telegrams which have been sent from Guayaquil labor unions and bodies to the President of the Republic in Quito requesting the release of SAAD. As of this date, April 9, he has not been released.

One telegram dated April 3, 1943, from the secretary of the Comité Empresa Trabajadores Fabrica Roma, requested the President to "release SAAD SAAD, Director of the Union Sindical Guayas, as an expression of Ecuadorian Democracy before the Reception Program for WALLACE".

It is understood that some of the labor units under the influence of SAAD have been attempting to secure an interview with WALLACE when he is in Guayaquil, and to give demonstration in the "Huancavilca Area" with some of the labor leaders making speeches in conjunction with representatives of the University and of Guayaquil and the Artists and Writers Society. This demonstration was of course to be in honor of WALLACE.

The principal labor group interested in this program was the "Union Sindical Guayas" of which SAAD is the Director. This group is a confederation of approximately 60 Guayaquil labor unions. Its nearest competitor in the labor field is the Confederacion Obrera which is composed of about 10 labor unions. The proportion of 6 to 1 in strength is approximately correct in both numbers and influence.

The labor groups mentioned above were under the impression that they had secured from the Guayaquil Program

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Committee for the Reception of Wallace a permit to give this demonstration in honor of WALLACE, he in turn was to attend the demonstration.

April 7 the labor groups were ~~definitely~~ definitely refused a spot on the program although a day or two previously they had received information indicating they would be unsuccessful in securing permission for the demonstration.

The Governor of the Province of Guayas, Enrique BAQUERIZO/Moreno, in stating his refusal tried to pass the blame to the Reception Committee which has as some of its more influential members Juan X. MARCOS, Augusto DILLON, and Eduardo LOPEZ. MARCOS is thoroughly hated by the labor unions and he will probably receive more of the blame than any of the other members of the committee.

However, the real reason for the refusal is believed to be that ARROYO does not want it to take place and the unions know it.

The ~~purpose~~ purpose of this report is to set forth and call to the attention of the Bureau the possibilities of incidents arising out of the local situation ~~which~~ which might prove ~~embarrassing~~ embarrassing to the Vice-President and to the United States while he is in Guayaquil.

~~XXXXXXXXXXXX~~ Upon the receipt of the refusal, it is reported that the labor leaders are very disappointed and ~~their~~ their reaction is one of withdrawing all their support from making the arrival of WALLACE a successful demonstration on the part of the Ecuadorian Government.

Raul Clemente HUERTA, a relative of the Ecuadorian Ambassador in Washington, is reported to have secured a place on the Reception ~~Program~~ Program for ~~the~~ a Guayaquil University group which is inclined to the "left". He stated last night, April 7, that as a sign of protest to the Ecuadorian Government, they may withdraw from the program. This action would also be a demonstration of solidarity with regard to the labor unions.

PROPOSED ACTION

At Guayaquil, Ecuador.

Stay in touch with elements close to the labor unions in order to keep advised of their attitude toward the visit of WALLACE.

Ascertain if any overt action is anticipated by the labor group as a demonstration ~~of~~ against the action preventing them from participating in the reception of WALLACE.

Follow all incidents which might cause ~~f~~ a flare up between labor and the Ecuadorian Government during the visit of WALLACE.

At Quito, Ecuador.

Ascertain if the labor groups in Quito plan any joint action as a demonstration of solidarity with the Guayaquil unions in an attempt to force ARROYO's hand.

Follow as closely as ~~far~~ possible ARROYO's planned course of action with regard to the Guayaquil labor groups.

PLACE:

La Paz, Bolivia

DATE:

4/16/43

REPORTED BY:

No

b7D

TITLE:

VISIT OF VICE PRESIDENT
WALLACE TO BOLIVIA*Henry A. Wallace*

CHARACTER:

BOLIVIA, POLITICAL

SYNOPSIS:

Vice President Wallace arrived in La Paz on April 5, 1943, and remained in Bolivia until April 9. Schedule followed during his visit. Greeting received from people in La Paz was enthusiastic. Vice President made aware on number of occasions of Bolivia's demand for a seaport. Speeches made by Mr. Wallace in Spanish and press interviews considered successful and well received. Report Mr. LAZO of the Board of Economic Warfare informed Bolivian officials that war materials needed in United States would not be approved for delivery to Bolivia. Responsibility for Bolivian declaration of State of War avoided by Mr. Wallace. In general, Vice President's visit to Bolivia is considered to have been an outstanding success in furthering the Good Neighbor policy.

COMMENTS: None

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STATUS:

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REFERENCE: None

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FEDERAL BUREAU OF INVESTIGATION

A - MAY 4 1943

U.S. DEPARTMENT OF JUSTICE

B. L. L. 25 MAY 18 1943

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La Paz, Bolivia
April 16, 1943

Re: VISIT OF VICE PRESIDENT WALLACE
TO BOLIVIA
Bolivia, Political

Vice President Wallace and his party, including LAWRENCE DUGGAN, Political Adviser to the State Department, and HECTOR LAZO, Assistant Director of the Board of Economic Warfare, arrived at the La Paz airport from Arequipa on April 5, at 12:45 p. m. Under a special decree signed by the President of Bolivia on March 30, 1943, the Vice President had been declared an honored guest of the Republic and all public and private activities were ordered suspended on the day of his arrival. The official program of visit for Mr. Wallace was changed a number of times prior to his arrival and also during his visit. The schedule actually followed, with the exception of a few minor changes, is the following:

- April 5 - Arrive La Paz 12:45 p.m.
Informal luncheon at Embassy, 2:30 p.m.
Formal call on President of Bolivia, 3:30 p.m.
Reception in Legislative Palace, 4:30 p.m.
Reception in City Hall, 5:00 p.m.
Tennis game, 5:30 p.m.
Return to Embassy, 6:30 p.m.
Dinner at Presidential Palace, 10:00 p.m.
- April 6 - Reception of visitors
Visit to American Clinic
Visit to Military College, 10:00 a.m.
Buffet luncheon at Embassy, 12:30 p.m.
Informal call on President, 2:30 p.m.
Visit to Villa Victoria and American
Institute, 4 to 5 p.m.
Leave for Cochabamba by train, 6:00 p.m.
- April 7 - Arrive Cochabamba, 8:00 a.m.
Visit city by motor, 8 to 9 a.m.
Leave for Angostura Dam and agricultural lands
around Cochabamba. Lunch en route, 9:00 a.m.
Return to Cochabamba, 5:30 p.m.
Reception at City Hall, 6:00 p.m.
Leave Cochabamba by train, 8:15 p.m.
- April 8 - Arrive Oruro, 7:00 a.m.
Arrive La Paz by airplane, 8:00 a.m.

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228323

Leave for Yungas and W. R. Grace mine by
automobile, 8:30 a.m.
Arrive Canadian Mission on Lake Titicac, 7:30 p.m.

April 9 - Leave Canadian Mission, 9:00 a.m.
Arrive Huarisata (Indian School) 9:45 a.m.
Leave Huarisata, 10:45 p.m.
Arrive Straits of Tiquina, 1:00 p.m.
Leave Copacabana, 3:15 p.m.
Arrive Chuquito, 6:15 p.m.
Arrive Puno, 8:00 p.m.

It had been planned originally that Mr. Wallace would visit the Hochschild mining properties at Colquiri and Potosí, and it is subject to speculation as to whether these visits were called off in order to avoid offending the Patiño interests, owners of Siglo XX, the largest mine in Bolivia, which is the scene of a call by virtually every visiting personage. Therefore, it is possible that the trip to the W. R. Grace mine in the Yungas was a compromise move permitting the Vice President to see something of the Bolivian lowland country and also visit a mine.

At the La Paz airport a large crowd of people met the Vice President upon his arrival, and he was greeted by members of the Cabinet, the President of the Senate, the American Ambassador, and numerous other officials. After reviewing a guard of honor at the airport the Vice President descended to the city and the Embassy residence in an open car followed by automobiles bearing the various officials. The procession wound through the principal streets of La Paz where Mr. Wallace received a tumultuous greeting. It should be noted that in a despatch sent by the Embassy to the State Department the greeting accorded Mr. Wallace in the drive from the Alto to the Embassy residence was described as "apathetic" and attributed to a general feeling of opposition on the part of the people to the present Bolivian Government as well as to the innate lethargy of the Bolivians. This information is credited by the Embassy to the leaders of the PIR. On the other hand, the writer learned from Secret Service Agents who have accompanied Vice President Wallace throughout his whole trip that far from being apathetic, the greeting accorded Mr. Wallace was adjudged to be the most enthusiastic he had received up to that time. On two occasions the crowds broke through the police lines and stopped the Vice President's car to shower him with flowers.

It is also reported by the Embassy that at two points along

the line of march the procession passed under banners demanding a seaport for Bolivia. The appearance of these banners may be attributed to agitation by "La Noche" and "Ultima Hora," two La Paz newspapers which have for some time been featuring articles demanding an outlet to the sea for Bolivia. "Ultima Hora" of April 6, 1943, published a petition presented by "Bloque Illimani," a nationalist youth organization, to the Vice President, wherein it was requested that the United States create a flag of the democracies. Obviously the petition was a subterfuge for the presentation of a more important request which stated that, "the legitimate geographic right which will give to Bolivia its own exit to the sea" should be publicized to the world and to all America.

In his speeches replying to official words of welcome from the President of the Senate and the Mayor of La Paz, Mr. Wallace dwelled on the importance of winning the peace after this war and the gaining of better living conditions for the common people. He stated that "in the midst of the present struggle America must orient the peace of the future to the true liberty of the people, to the happiness of human beings. We can and must win the bloody battles on distant fields...but we must do even more - we must win the peace, which can only be accomplished if we fulfill our duty toward the people who are supporting this titanic struggle. It is primarily in the houses of representatives of the people of the democracies that the policy of the future world is to be established." Mr. Wallace's statement to the Mayor that upon being named a citizen of La Paz he felt obliged to accept the responsibility of being a good fellow-citizen was acclaimed wildly by the crowd.

After his formal visit to the President of Bolivia and the Congress, Mr. Wallace went to the Tennis Club where he played two sets of tennis. It is reported that this act more than any other endeared him to the Bolivians who greatly admired his physical stamina and ability to shake off any effects of the altitude.

On the afternoon of April 6 Vice President Wallace held a press conference which was attended by the editors of all the La Paz newspapers and representatives of virtually all the other newspapers in the country. "La Razon" reports that in answer to a question regarding post-war tin prices Mr. Wallace stated that in his opinion the prices of minerals, values of principal products, and working conditions could be worked out through cooperation with Great Britain and the United States. Mr. Wallace emphasized that this was a personal opinion. On the question of a seaport for Bolivia, which was directly brought to his attention at this time, the Vice President neatly side-stepped, saying that

he had no opinion on political problems. Mr. Wallace was asked by the editor of the Leftist "La Calle" his views on the incorporation of the native population into Bolivian nationality, and he replied that he had not had an opportunity to study the problem. The Vice President remarked that he was greatly impressed with all that he had seen in Bolivia and that he had noted a common point of view among all political groups regarding the improvement of agriculture, security of markets for principal products, and mineral production.

It is reported in "La Razon" of April 7, 1943, that in his interview with the President of Bolivia Mr. Wallace discussed certain fundamental problems relating to the economy of the country. Other questions concerning commercial exchange and the increase in the extractive production of the country were also discussed. It is reported that the President requested that all possible attention be given to orders for materials which Bolivia has placed with the United States. It is worth noting in this connection that Mr. Lazo of the Board of Economic Warfare is reported to have made quite clear to the Bolivian Cabinet and members of the General Staff that his organization would not expedite delivery of any war materials to Bolivia which might deprive the United States forces of similar materials needed to carry on the war. Since it is generally believed that one of the principal motivations for Bolivia's declaration of a State of War against the Axis was to secure a generous supply of combat materials from the United States, it is questionable whether such a course of action would have been pursued had the Bolivian officials been forewarned of Mr. Lazo's sentiments. On the other hand, it is certain that the Bolivian President in his forthcoming visit to the United States will exert every effort to secure delivery of the war materials Bolivia wants.

With regard to Bolivia's declaration of a State of War against the Axis, nicely timed to coincide with the Vice President's arrival, it is reported that at Mr. Wallace's insistence this action was de-emphasized in order to avoid any interpretation that he (Mr. Wallace) was responsible for the action taken. It is reported that a distinct public opposition has developed against the declaration of the State of War, and there have been assertions that the United States and the Vice President are responsible for the unwanted condition.

The Embassy despatch adequately summarizes the results of Mr. Wallace's visit when it states that, "the Vice President's visit to Bolivia has been completely successful and a distinct

contribution to the furtherance of the Good Neighbor policy. Mr. Wallace made an extremely favorable personal impression on the Bolivians with his simplicity, his obvious sincerity, and his general 'simpatia.' His command of the Spanish language and his ability to conduct interviews without the use of an interpreter were very pleasant surprises to most Bolivians, and his energy and activity in the altitude were subjects for continuing complementary remarks. His public statements were of such a nature that not even the most reactionary of the Bolivians and foreigners could openly dissent and, at the same time, they were such that the Leftist leaders were completely won over. The leaders of both the MNR (Movimiento Nacionalista Revolucionario) and the PIR, for example, expressed in no uncertain terms to officers of the Embassy their admiration of Mr. Wallace and his political beliefs. At the same time the leaders of the conservative parties were charmed by Mr. Wallace himself and quite willing to applaud some of his statements with which they probably did not entirely agree."

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LIMA FILE NO. 10-12.

PLACE:

LIMA, PERU.

DATE:

APRIL 21, 1943.

REPORTED BY:

b7D

TITLE:

VISIT OF VICE-PRESIDENT
HENRY A. WALLACE TO PERU.

CHARACTER:

PERU - POLITICAL.

SYNOPSIS:

Vice-President HENRY A. WALLACE arrived at Lima, Peru, on April 12th, 1943, for an official visit, and departed for Guayaquil, Ecuador, on April 15th. There is set out hereinafter a complete resume of his activities while in Peru.

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COMMENTS:

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Lima, Peru.
April 21, 1943.

Re: VISIT OF VICE-PRESIDENT
HENRY A. WALLACE TO PERU.
PERU - POLITICAL.

DETAILS:

On March 25, 1943, Vice-President WALLACE arrived in Lima, Peru, at the Limatambo Airport, local aviation field of Panagra, Inc., such arrival being at approximately 4:30 p.m.

Mr. WALLACE was greeted by Mr. HENRY NORWEB, the American Ambassador, and the Minister of Aviation, the press, and an aide-de-camp. President PRADO was not at the airport. There were present approximately 2,000 people, Peruvians and Americans, all high officials of the Peruvian Army and Navy, along with the officials of the U. S. Air and Marine Missions in their dress uniforms. Also on hand to greet Mr. WALLACE was the Chief of Protocol. Mr. WALLACE received a twenty-one gun salute fired by the Peruvian Army, and a full troop of mounted full-dress cavalry was present.

From the Limatambo Airport, the Vice-President was driven to the residence of the American Ambassador at Schell 210, in Miraflores. Immediately upon his arrival at Mr. NORWEB's home, Mr. WALLACE held a press conference during which his comments were very general, concerning his small view of South America prior to that time. He commented that he thought Lima was a beautiful city and that he was proud of the reception given him at the airport. He further commented on his twenty-one gun salute, and he stated that if one request were granted it would be to play tennis.

Immediately following this press conference, the Vice-President paid an informal call on President PRADO at the Palace Gobierno. This was in the nature of a social call purely and had no diplomatic weight.

At 8:30 o'clock in the evening, a small dinner was offered by Ambassador NORWEB at his home.

It should be noted that on this occasion Mr. WALLACE was supposedly traveling incognito and was considered in transit, looking forward to his official visit to Peru on April 12th, 1943. However, he received official recognition at Lima and also at Arequipa.

At 6:30 o'clock the following morning, Mr. WALLACE boarded a Panagra plane at Limatambo Airport to continue his journey to Chile.

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It is interesting to note that Mr. WALLACE left both curiosity-seekers and interested newspapermen waiting at the home of the Ambassador when he decided to arise at 4:00 a.m. and walk the three miles to the Limatambo Airport.

Mr. WALLACE proceeded to Chile and then returned to Lima and Arequipa, arriving in Arequipa, Peru, at approximately 2:10 p.m. on Sunday, April 4th, 1943. He traveled by Panagra, and at the Arequipa Airport he was greeted by the Prefect of the Department of Arequipa, Mr. FERRO; the Mayor of Arequipa, Mr. MOSCOSO; and other leading officials.

Driving from the airport to the Plaza de Armas, the Vice-President was warmly greeted, being showered with thousands of flowers as he drove to the City Hall across the Plaza de Armas. Thousands of people welcomed him at the Plaza, many of the people composing large representations of various schools.

At the City Hall, he was welcomed in a short ceremony. Vice-President WALLACE thanked the people for welcoming him. He pointed out in brief that Arequipa, because of its importance in agriculture, plays a large part in victory for the democracies, or words similar in effect.

From the City Hall, Mr. WALLACE went to the Hotel Arequipa for a few moments, then rode through the city to the outskirts, Tingo. On the way back to the city proper he stopped and examined some of the corn crop of the land. He then walked across the street from the corn crop to another land producing this vegetable but apparently of another kind and quality.

On the way into the city from Tingo, Mr. WALLACE visited the milk plant "Leche Gloria" and also viewed a stock show which was held on the lawns of the "Leche Gloria". He was to have been the guest of Club Arequipa; however, in view of the death of MANUEL UGARTECHE, such plans were canceled.

Mr. WALLACE then went to the hotel, rested a short while, informally received a few members of the Rotary Club, and, at approximately 8:30 p.m., visited the home of the Vice Consul, where the American Colony, consisting of approximately thirty members, welcomed him in an informal way. After spending about thirty minutes there, he went to the Prefect's home, at about 9:00 p.m., where he had dinner with a comparatively small party. He left at approximately 11:30 p.m. for the hotel.

It can be stated that he was warmly received by all people, the majority of whom are, of course, poor people. Several admiring remarks were passed to the effect that he was well liked because of his simplicity and because he is a "regular guy" representing the true American. As one individual stated, "He is so well liked by all the people here because he is regular, representing the real American and not the 'Fifth Avenue' American."

On the morning of April 6th, 1943, following his breakfast, Mr. WALLACE played a few games of ping-pong. He then started out for a walk to the market with the Prefect of Arequipa, body guards, and many others, of course. On the way past Quinta Bates, he stopped for a few minutes and chatted with "Tia Bates", whom, incidentally, he had visited on the previous afternoon for a few minutes.

On the way to the market, the plans were changed, and Mr. WALLACE commenced to walk toward the airport, this being about 9:00 a.m. Along the way the people greeted him warmly. He stopped to visit the "Obreros Quarters" on the banks of the River Chili, which is on the way to the airport. On the way up from the river bank, the prefect, now very tired, mentioned that there were other quarters just being built for so-called "employees", and the Vice-President remarked that he would like to see them. He commenced to walk to them, only to be interrupted by the prefect, who suggested that they ride in their cars. The whole party then rode to the new quarters mentioned and thereafter to the airport. Mr. WALLACE left Arequipa, via Panagra, at approximately 10:00 a.m., for La Paz, Bolivia.

It can be stated that Vice-President WALLACE made a fine impression on the people of Arequipa, Peru.

APRISTA PARTY

Prior to the return of Mr. WALLACE to Peru, this office received information that the Aprista Party, headed by VICTOR HAYA DE LA TORRE, was planning to stage a mass demonstration in protest against the Peruvian Government during Mr. WALLACE's visit.

HAYA DE LA TORRE was contacted by an intermediary for the Minister of Government, and a political truce was requested during Mr. WALLACE's visit. This intermediary was Dr. ANTENOR FERNANDEZ SOLER, who is a close friend of HAYA DE LA TORRE.

HAYA DE LA TORRE said that his party was ready to cooperate with the government toward a national welcome to the visitor but that they likewise had to have some sort of guarantee. The Minister of Government, Señor MARIO DE LA PUENTE, reported that there would be freedom for everyone during the demonstration, and HAYA DE LA TORRE requested that this be placed in an official communication. The Minister requested that there be no demonstration of white handkerchief waving, as is the Aprista salute, and HAYA DE LA TORRE insisted on this.

HAYA DE LA TORRE stated that at least 40,000 Apristas would be present in the Plaza de Armas for a mass demonstration, and he said, "If the government is going to make trouble, there will be trouble."

A considerable portion of the March 20th, 1943, issue of "La Tribuna" was devoted to criticism of the Peruvian Government. Pursuing a long-standing policy, the newspaper asserted that only Aprism could save Peru; that the present government is a dictatorship; that the only thing it asks is the right to the four liberties of the Atlantic Charter.

Reference was made to the next election for President of Peru. The statement was made that if President PRADO were elected there would be trouble from the Aprista Party. However, the Party stated it did not believe that President PRADO would be re-elected because President ROOSEVELT has said he will not tolerate defrauders in elections anywhere in the world.

There were also received in this office copies of handbills which were secretly distributed by the party:

The first handbill puts words in the mouth of President PRADO when he speaks to the United States to the effect that he is on his knees before that government and ready to do whatever is ordered. At the same time he is saying to the Axis that he was forced to break relations and that he is really a totalitarian and anti-democratic and is betraying Peru. Thus it is stated he is serving both interests.

The second handbill refers to the victorious part played by the Russians in fighting the Germans and urges the Peruvians to be ready for the victorious hour of democracy in Peru.

The third circular refers to the scarcity of food and the high prices. It states that the war is not the cause of this but rather it is a result of the fact the men in the present government are taking advantage of the situation in order to enrich themselves. The reader is urged to assist in dethroning and defeating the tyranny of the son of a traitor.

It was reported indirectly that many more of these circulars were being printed for distribution during the visit of Vice-President WALLACE.

In another copy of La Tribuna, there was an article concerning the trip of Vice-President WALLACE through Peru. In this editorial, Mr. WALLACE was greeted and praised for being one of the most authoritative leaders of the cause of human liberty. It stated that Mr. WALLACE believes in the creation of an international police after the war for the purpose of insuring an enforcement of the four liberties. In conclusion, the Vice-President is cordially welcomed and asked to discover and judge for himself the sorrowful social and political situation in Peru.

This edition of La Tribuna also contained an article dealing with Japanese fifth-column activities, which has no bearing in this report.

Prior to the visit of Mr. WALLACE to Peru, a representative of this office was in conference with Mr. IRA BROUGHT, of the U. S. Secret Service, and Señor MIER Y TERAN, Chief of the Division of Investigations, and it was explained to MIER Y TERAN in detail the protective measures requested during the visit of the Vice-President. He advised that arrangements had been made and that his men had received explicit instructions to cooperate with this office and with the Secret Service in any manner they are asked. Mr. ABRAHAM RUBIO ROLANDO and Mr. JOSE AYANZ MAYO were placed in charge.

It was stated that the services of a troop of the Guardia de Seguridad would be utilized at the airport to form a protective line leading from the Limatambo station to the Vice-President's automobile.

On April 3, 1943, this office received information that the Aprista Party in Arequipa, Peru, was planning a mass demonstration on the visit of Vice-President WALLACE to that city. Our representative in Arequipa was advised of this information, and the Secret Service representatives traveling with Mr. WALLACE were also notified in La Paz, Bolivia. This demonstration never took place.

A number of small handbills were distributed by the members of the Aprista Party immediately before and during the visit of Mr. WALLACE to Peru. Translations of them are as follows:

"Dear Mr. Wallace: In Chile and Bolivia you have seen people with liberty of expression and in which the parties of the left and the right constitute the Democracy. But in Peru, where there are no constitutional rights, you find an oppressed people, camps of concentration, hunger and terror. JUSTICE AND LIBERTY!"

"Henry A. Wallace: You are welcome! The Peruvian people, which struggles against Internal Tyranny and against Nazi-Fascism, greets the Vice-President of the United States and asks him to make known to the people of the United States that the War for the Democracy cannot be gained in alliance with the enemies of Democracy. WE ASK LIBERTY!"

"The Peruvian Aprista People struggle so that the four Rooseveltian Liberties may be realized some time in our country which is oppressed by an Oligarchical Totalitarianism. The People of Peru struggle so that there may be here Constitutional Liberties, Social Justice, Culture and Bread. FOR THIS WE ARE WITH WALLACE! WE WANT RIGHTS!"

"The Vice-President Wallace has said: 'The true Democracy supposes Parties of the Right and Left with full liberties.' And here in Peru the Ruling Totalitarian Oligarchy permits only Speculators. There is no opposition. There are no rights. Prado and his ring are infallible."

"The Totalitarian Oligarchy which denies to the Peruvians Liberties and Bread calls the Aprista People 'Bandits', Marxists, Sectarians, and Gangsters. But so the Reactionaries and Nazi-Fascists called President Roosevelt and Vice-President Wallace and the North American Democrats. WE ARE ALWAYS JOINED TOGETHER WHEN WE STRUGGLE FOR LIBERTY AND JUSTICE."

"A people which has been denied its rights, reacts as a lioness who has been deprived of her cubs. These are words of Vice-President Wallace. Similarly react and struggle the oppressed Aprista People of Peru! WE WANT LIBERTIES!"

"TO THE PEOPLE OF LIMA, CALLAO, and Resorts: The Peruvian Aprista Party, obliged to act clandestinely by the ruling Totalitarian terror, invites all Apristas to express their sympathy to Vice-President Wallace as champion of the rights of man and of the citizen and as a defender of the Democratic liberties of the workers. The Party, threatened by the Minister of Government so that it will not perform Manifestations, makes a call to the people that on this occasion it make an affirmation of its faith in Democracy and protest once more against the Nazi-Fascist methods of the government. - As a symbol of Homage to the visit of the Vice-President, all the Political Aprista Prisoners of the Camps of Concentration WILL MAKE A HUNGER STRIKE WHILE MR. WALLACE IS IN PERU."

"Fe, Union,
Discipline and
Action.

"seasap.

"Lima, April, 1943.

By order of the National Committee of Action.

The Secretary National of Organization
and Propaganda."

In addition to this, information was received that the Aprista Party had sent a message to President PRADO advising him that he must permit the Apra to make a demonstration to Vice-President WALLACE or there would be trouble. The people had been instructed by the Party to use the Aprista salute.

Information was also received that during Mr. WALLACE's visit to Lima he would be presented with a letter signed by fifty-two members of the Aprista Party who are prisoners in El Fronton, Peruvian penitentiary. This letter protests the treatment of the Party by the government and pledges the support of the prisoners to the cause of democracy. A copy of the letter was received by this office.

A rumor was circulated to a rather large extent among social and diplomatic circles that Mr. WALLACE had made the statement that his main purpose in coming to Peru was in order to know and talk with VICTOR HAYA DE LA TORRE. The Peruvians consider such a statement to be an insult to their country and the present government. It has not been possible to ascertain the source of this rumor, but it may have been started by Axis nationals desirous of injuring inter-American relations. On the other hand, it might have originated with members of the Aprista Party.

It was also rumored at this time that Mr. WALLACE is a very good friend of HAYA DE LA TORRE and has been corresponding with him for some time. There appears to be no basis for this latter rumor. However, the Apra periodical La Tribuna published an item several months ago in which it was stated that when MANUEL SEOANE, second in command of the Apra Party, visited the United States, he had a long conversation with Mr. WALLACE and it was intimated that a very close friendship exists between Mr. WALLACE, the Aprista Party, and HAYA DE LA TORRE.

There is set out below a report submitted to this office by No. 237:

HAYA DE LA TORRE, Chief of the Aprista Party, requested the writer to ascertain if an interview with Vice-President HENRY A. WALLACE would be possible. This request was transmitted to the Legal Attaché, who discussed the same with Ambassador HENRY NORWEB. Mr. NORWEB stated that such an interview would be impossible because the Vice-President had agreed not to contact the opposition party. In addition, Mr. NORWEB advised that it would be impossible to give an answer to HAYA DE LA TORRE because no matter what answer was given it would be used for political purposes. The writer was requested to handle the situation with care in view of the possible political consequences.

The writer subsequently advised HAYA DE LA TORRE, through an intermediary, that it was impossible to contact the appropriate persons who had charge of arranging the program for Mr. Wallace and that practically everything was being arranged by the Peruvian Government.

Subsequently HAYA DE LA TORRE left two envelopes at the writer's residence with a note requesting that they be transmitted to Vice-President WALLACE. One of these envelopes contained a letter signed by Aprista prisoners at El Fronton and a portfolio prepared by the prisoners. This booklet was entirely prepared by hand and was devoted to a criticism of the present Peruvian Government for being a "Dictatorship". It also praised Mr. WALLACE and President Roosevelt and the leader of the Apra Party, HAYA DE LA TORRE.

The other envelope contained a letter signed by HAYA DE LA TORRE and addressed to Mr. WALLACE. It extended a welcome to him on behalf of the Party and urged him to report to President Roosevelt that the only country in South America without constitutional liberties is Peru. A translation of this letter is as follows:

"PERUVIAN APRISTA PARTY

"Jefatura

"Honorable Señor Henry A. Wallace
Vice-President of the United States.

Lima, April 14, 1943.

"Señor:

"The Peruvian Aprista Party, obliged to develop its activities clandestinely by the dictatorial government of Mr. Prado, has taken the resolution to send to you a message of greeting on the occasion of your passing through our country.

"You visit a republic in which constitutional rights do not exist, nor any of the liberties for which the Christian people struggle in this war. You have been a witness, the afternoon of April 12th, to the popular repudiation of the government so clearly manifested in the Plaza de Armas, and, by the character of the program, you will have seen how far you have been kept from the popular masses.

"Among the six IndoAmerican countries which compose the program of your trip, Peru is the only one where Democracy does not exist, where the constitutional rights are abolished, and where there are hundreds of political prisoners, without trial, in the camps of concentration. This is the Peru of the Incas which did not know misery "neither paupers nor rich people" before the conquest and for whose social and political recovery we, the Apristas, are struggling against the prevailing plutocracy.

"We hope that the Peruvian reality has not been hidden from your penetrating and observing judgment, and we trust that on returning to the United States that you will tell President Roosevelt that here there is a people which suffers oppression and scarcity and which aspires, with a just claim, to be free.

"Wishing you a pleasant stay in our country and a happy trip, we express sentiments of our special personal consideration.

"For the National Committee,

/s/ HAYA DE LA TORRE."

Both of the envelopes left at the writer's residence for delivery to Mr. WALLACE were given to the Legal Attaché in Lima for transmittal to Mr. WALLACE through the Ambassador, which was done.

Informant [] advised the writer that just previous to the arrival of Mr. WALLACE in Lima, the Minister of Government, RICARDO DE LA PUENTE, sent a go-between to HAYA DE LA TORRE, requesting a political truce during Mr. WALLACE's visit. HAYA DE LA TORRE answered that the Aprista Party was ready to cooperate with the government toward the aim of a "National Welcome" to the visitor but that there had to be a guarantee for the members of the Aprista Party.

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The Minister reported that the only possible guarantee was that there would be freedom for everyone during the celebration. HAYA DE LA TORRE then requested an official "Comunicado" to this effect, but this was refused.

Informant [] further advised that the Minister requested that the Apristas refrain from using their salute which consists of waving a white handkerchief. This request was rejected by the Party, and HAYA DE LA TORRE claimed that he ordered between thirty and forty thousand members of the Party to be present in the Plaza de Armas.

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The intermediary in the above negotiations was Dr. ANTENOR FERNANDEZ SOLER.

On the afternoon that Vice-President HENRY A. WALLACE arrived in Lima, April 12th, he was greeted by an unprecedented throng of people in all parts of the city. The greatest gathering was in the Plaza de Armas where Mr. WALLACE and President Prado spoke from the balcony of the Government Palace.

During the demonstration in the Plaza de Armas, it was observed that very few people used the Aprista salute of waving a white handkerchief. Also, the members of the Party had been instructed to raise their right arms as a salute to the visitor. No one was observed by the writer to give this salute. Consequently, it would appear that the organized demonstration of Aprista strength failed. However, it should be noted that when President Prado endeavored to speak in the Plaza de Armas, he was constantly interrupted by whistling and shouting. This condition forced him to cut his speech very short. On the other hand, Mr. WALLACE was listened to with great respect, and when he finished he received tremendous applause.

The disturbance caused during President Prado's speech can not be attributed to the Aprista Party nor can it be taken as an indication of the strength of the Party. This shouting came from the masses of the people, who have been considerably agitated lately by the high prices and the scarcity of food. Due to the low standard of living in Peru, the majority of the people live on meat, rice, and potatoes. In recent months, the prices of these articles have greatly increased, and also they have become harder to obtain. For three or four days every week there is no meat in the markets. There is very little rice available, and, in order to secure it, it becomes necessary in some cities to form in line at four o'clock in the morning. Potatoes are also hard to obtain, and every day in the markets there are scenes of people fighting their way to make their necessary purchases.

The above conditions have become worse in recent weeks, and this is the reason for the popular manifestation against the Government. The literature of the Aprista Party stresses the injustice of having many political prisoners being held without trial, etc. However, this does not appear to be the real reason for the anti-Prado attitude of so many people. They believe that the Aprista Party would also have many political prisoners if it came into power. The same is true with almost any political party that is found in Peru. However, the Aprista Party also takes advantage of the food situation in order to attack the government, and this is the subject matter of some of its propaganda.

In connection with the demonstration in the Plaza de Armas, the writer has been advised that many members of the Aprista Party were arrested as they attempted to enter the Plaza carrying anti-Government banners. It has been impossible to verify this information or to ascertain the number of such arrests.

Enclosed with this report by No. were leaflets distributed by the Apra Party during Mr. WALLACE's visit to Peru, translated as follows:

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"Left Arm on High. Up with the White Aprista Handkerchief. So the people of the South received Mr. WALLACE in most grand demonstrations of the invincible power of Aprism. So Lima, Callao, and Resorts. With the classic salute of Democracy, Liberty, of the Rights of Man and of the Citizen."

"From 1931. The white handkerchief in the left arm on high is the symbol of the popular faith in the great Peruvian Aprista Party, glorious, indivisible, and strong with the strength which the people and the youth give it. With the arrival of Mr. WALLACE from one boundary of Peru to the other the White Aprista Handkerchief is waved.

OFFICIAL VISIT

On Monday, April 12th, 1943, at approximately 4:00 p.m., Mr. WALLACE arrived at Santa Cruz airport, Lima, Peru, escorted by airplanes of the Peruvian air force. An official and popular welcome to the Vice-President took place at that time on the occasion of his initiating the official portion of his visit to Peru.

The Vice-President was greeted at the airport by President Prado and the diplomatic corps and high Peruvian officials. At this time Vice-President WALLACE was afforded a twenty-one gun salute. He posed for the photographers and then entered the official automobile for a five mile parade to the Palace de Gobierno.

At points on the route to the Palace, school and civic choruses sang the national anthems of Peru and of the United States. At the Plaza de Armas and Plaza San Martin, school children arranged themselves to form large victory "V's" and to form the flags of the two countries. The Vice-President rode in a colonial type open carriage, accompanied by President Prado. They were escorted by the colorful Inca Guard, made up of pure Inca Indians, wearing uniforms of the colonial era.

No. obtained a photograph of the Vice-President's carriage in the parade, and a print of same is an enclosure with this report.

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At the Plaza San Martin, in the heart of Lima, the parade drew to a stop immediately in front of two large bleachers, same being packed with school children arranged to form two large white "V's". Above one set of bleachers was a large picture of President Roosevelt, while above the other was a picture of President Prado. At this time the official military band played the U. S. National Anthem, while the school children sang the words in English. It should be noted that at this time all persons stood in silence and at strict attention. The members of the official entourage left their cars to stand at attention.

Upon arrival at the Plaza de Armas, on which the Presidential Palace faces, the Vice-President left his carriage and proceeded on foot to the front of the Palace, where he gave a short response to President Prado's welcome. This ceremony was no more than five minutes in length. It should be noted that upon the arrival of the official party to the Palace there were present in the Plaza approximately fifty thousand people. It was noted that there was much hissing and booing during the speech of President Prado. Also, a large percentage of the crowd demonstrated their Aprista sympathies by waving of white handkerchiefs in the Aprista salute. From this it was apparent that the Plaza de Armas and Presidential Palace had been designated by the Aprista Party as the congregating point for Party members. However, upon the response of Vice-President WALLACE to the welcome by President Prado, no signs of antagonism or political difference were made. Mr. WALLACE was received with hearty accord by all present.

On the side of the Plaza de Armas opposite the Presidential Palace, school children were arranged in two huge bleachers so that their colored costumes formed the flags of Peru and the United States. At this time the national anthems of the two countries were played again, and the Star Spangled Banner was sung in English.

Upon his arrival at the Palace, Vice-President WALLACE granted a press conference at which were present approximately forty newspaper and press correspondents from Peru and the United States. At this conference there were present representatives of United Press, Associated Press, Trans-Radio Press Service, New York Times, Baltimore Sun, and El Comercio, La Prensa, La Noche, and other outstanding Peruvian newspapers and periodicals.

Peru This conference was very general. Questions asked were mostly personal, and it was apparent that the newspaper correspondents were attempting to cultivate Mr. WALLACE's goodwill by staying away from political and diplomatic questions. There were, however, two questions placed to him of this type. One reminded him of a statement he had made at a Panamanian press conference to the effect that the U. S. Government was thankful for the Communist intervention into the war. The question placed was as to whether or not the United States placed Communism on a basis with Pan-Americanism. To this Mr. WALLACE answered: "At the present time Pan-Americanism is not sufficient. Communism is necessary to effect a world peace." The second question placed to Mr. WALLACE was as to what would be brought to the man on the street by the present Pan-Americanism program, to which Mr. WALLACE responded that he did not understand what was meant by the "man on the street" but that attempt would be made to help everyone, both in the United States and in South America. He stated that any commercial crisis which might arise during or after the war could not be judged or foreseen at this time.

This conference was only twenty to thirty minutes in length. Mr. WALLACE afforded all photographers opportunity to take pictures, and No. 492 is submitting, as an enclosure with this report, the negative and a print of a photograph of this conference.

At 7:00 o'clock, Mr. WALLACE had a fifteen minute reception for the chiefs of the diplomatic missions accredited to Peru. Only about fifty persons were present, and it was very informal, Mr. WALLACE making no statements of a political or diplomatic nature.

At 7:15 p.m., Mr. WALLACE received the Archbishop of Lima. This reception was private in nature for the Archbishop and his associates, and no press releases or publicity were given to it.

At 7:30 p.m., the Mayor of Lima, Sr. LUIS GALLO PORRAS, visited the Vice-President, together with representatives of his Municipal Commission, and presented a parchment scroll naming Mr. WALLACE "An-Illustrious Guest of the City". At this time the Mayor also extended a formal invitation to the Vice-President to attend a dinner that same evening at the Lima Tennis Club. Mr. WALLACE graciously accepted this invitation as well as the scroll naming him an honorary citizen of Lima.

At 8:30 p.m., a formal dinner was offered by the Mayor of Lima at the Exposition Tennis Club, where entertainment and music was presented in order to give the Vice-President an opportunity to hear typical Peruvian music and to witness typical Peruvian dancing. This dinner was in the nature of a pachamanca (Peruvian barbecue). Approximately twelve hundred persons were present at this dinner, and Mr. WALLACE was received heartily by all. He retired to the Palace early in the evening. The entertainment at the tennis club was designated as "Noche Peruana" and was presented by outstanding theatrical and scenic artists of Lima. The evening's souvenir program is an enclosure with this report.

On Tuesday, April 13th, Mr. WALLACE paid a visit to the La Molina agricultural station at 9:00 a.m. This station is approximately four miles from Lima.

Upon returning from the agricultural exhibit, Mr. WALLACE, at 10:00 a.m., visited the botanical gardens connected with the Faculty of Medicine of San Marcos University, which are considered to be the most excellent of their kind and have recently received attention by high medical and botanical officials from the United States. At the gardens, Mr. WALLACE, with due ceremony, planted an Oropel tree from eastern Peru.

At 10:15 p.m. on Tuesday, Dr. MONGE, Dean of the Medical Faculty of San Marcos University, presented to Mr. WALLACE a copy of a declaration of independence signed by Peruvian physicians on July 29, 1821.

At 10:30 p.m., Mr. WALLACE was given opportunity to inspect the Peruvian workmen's hospital, which is indirectly connected with the medical buildings of San Marcos University. It is noted that San Marcos University is the oldest university in the Western Hemisphere.

At 11:30 p.m., Mr. WALLACE visited the Barrio Obrero and Restaurantes Populares (workmen's dwellings and restaurants maintained by the Peruvian Government, which provide wholesome meals at minimum nominal prices).

At 12:30 p.m., the Vice-President played two sets of tennis at the Exposition Tennis Club, at which time he played with the Peruvian champion opposite Lt. Commander WILLIAM E. EMBRY and the Peruvian runner-up. Mr. WALLACE expressed his deep appreciation of being afforded this opportunity to play tennis, advising that one of the things he had personally missed the most was his daily tennis.

At 1:30 p.m., another pachamanca (Peruvian barbecue) was given, this one by the Minister of Agriculture at the Hacienda Maranga. President PRADO was present at this luncheon, along with high diplomatic and military officials of the Peruvian Government.

Following the luncheon, the Vice-President visited the La Magdalena Anthropological Museum to see a special exposition illustrative of the methods of Inca agriculture, same having been arranged by the museum's director, Dr. TELLO. At the museum the Vice-President was received by the Minister of Education.

At 5:00 p.m., the Vice-President held a reception for official and unofficial delegations at the Palace de Gobierno. The guests were delegates from the various Embassies located in Peru, and Mr. WALLACE also received a commission of ladies of the National Council of Women and a Commission of the Peruvian Medical Association.

At 6:00 p.m., Mr. WALLACE set aside an hour and a half for private visits.

At 8:30 p.m., the Vice-President was afforded a formal banquet at the Palace de Gobierno as the official guest of President PRADO. On this occasion President PRADO delivered a formal address, welcoming the Vice-President to Peru, commenting on the rapid increase of Pan-Americanism feeling, and commenting on his own enjoyable visit to the United States some eight months past, stating that he was looking forward to visiting the United States again after the war. President PRADO expressed regret that President Roosevelt was unable to visit Peru, and he concluded by placing his confidence in the Allied cause in the present struggle.

Mr. WALLACE was prepared to reply with a speech of similar character. He was very general in his comments, mostly concerning his appreciation and thanks, the speech lasting approximately five minutes. Approximately three hundred high military, naval, and government officials of Peru were present at this banquet, and the national anthems of both countries were played. After the dinner, a formal reception was held in the Palace chambers, and the dinner guests were joined by officials of all countries represented in Peru. It was estimated that this reception was attended by approximately 2,500 people, stated to be the largest group ever to attend such a function in the Presidential Palace. Print and the negative of a photograph taken by No. at this banquet are enclosed with Bureau copies of this report.

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On Wednesday, April 14th, Pan-American Day, the first official appearance of Mr. WALLACE was at a flag-raising ceremony at the Rotary Club standard (La Cabaña), where Mr. WALLACE raised the American and Peruvian flags at an annual ceremony of the Rotary Club on Pan-American Day.

At 11:00 o'clock, a military review was held in honor of the Vice-President in the Campo de Marte in Lima, the "West Point" of Peru.

At 1:30 p.m., the Minister of War, General César A. de la Fuente, offered a luncheon in the Círculo Militar, Plaza San Martín, which luncheon was attended by President Prado. High-ranking military, naval, and aviation officials were present, along with diplomatic officials of the U. S. Embassy and the Presidential Palace. There was a total of approximately two hundred guests at this luncheon.

At 2:30 p.m., Mr. WALLACE made a recording in English of his speech to be delivered in Spanish at the Peruvian North American Cultural Institute's celebration of Pan-American Day. This recording was made at the studios of Radio Nacional.

At 3:00 p.m. the Vice-President visited the site of the proposed health center and cancer institute.

At 4:00 o'clock, Mr. WALLACE visited the Ministry of Public Health and Labor, where Peruvian organized labor groups paid their respects and compliments.

At 5:00 p.m. the Vice-President was received by the Rector and professors of San Marcos University at a reception. A short greeting was addressed to the Vice-President by the Rector, and Mr. WALLACE replied in a few words.

At 6:00 p.m. on April 14th, the Senate of Peru officially received Mr. WALLACE at the Palacio Legislativo. The Vice-President responded with very short comment, mostly confined to his enjoying his visit.

At 7:00 p.m., Mr. WALLACE addressed, in Spanish, a meeting of the Peruvian-North American Cultural Institute at the Teatro Municipal, it being the purpose of the meeting to commemorate Pan-American Day. There were short speeches by Dr. CARLOS MONGE, President of the Institute, and Dr. ALFREDO SOLF Y MURO, Minister of Foreign Affairs. President Prado attended this meeting, seated in his official Presidential box in the theater. At this time Mr. WALLACE delivered one of his two official speeches in Peru.

At 8:30 p.m., the Vice-President attended a formal farewell dinner at the home of the U. S. Ambassador, Calle Schell 210, Miraflores. There were present approximately forty outstanding Peruvian and American officials. President Prado was a guest.

On Thursday, April 15th, at 6:30 a.m., the Vice-President boarded a Panagra plane at Limatambo airport and proceeded on his journey, next stop being Guayaquil, Ecuador.

An unofficial interlude of Mr. WALLACE's visit to Lima was an early morning visit, unaccompanied, to several of Lima's large markets where, hatless and with rumpled hair, the Vice-President conducted a one-man inquiry as to how the common people in Lima live. The Lima newspapers and periodicals expressed this as being one of the ways throughout his West Coast tour that Mr. WALLACE has managed to carry away with him a clear-cut view of a cross section of the natural life in the countries he has visited.

In connection with this unofficial interlude of Mr. WALLACE's visit to Lima, the following report was submitted by No.

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The widely circulated story that Vice-President WALLACE slipped out of the Palace unobserved early in the morning to watch the food lines is confirmed. The taxi driver who brought him back, according to Informant BYRD, whose identity is known to the Bureau, was immediately questioned by the police. All he could say was that a Gringo, unknown to him, had gotten out of another taxi, had talked to people waiting in line for rice, and then had taken his (the chauffeur's) taxi to the Palace.

As soon as Mr. WALLACE left Peru, the administration ordered all retail dealers to sell all rice available and also published lists of where rice, theoretically, could be bought. In spite of this, little rice has been available.

The administration has now announced that it will take over the entire 1943 rice crop at fixed prices, the southern provinces excepted. A working class reaction to this was: "Prices will go up if the Banco Popular (controlled by Prado) obtains a monopoly." In other words, if this opinion is typical, the administration seems to be headed for trouble, and any move it makes is suspected.

There is a good deal of justification for this, because the friends and family of President Prado have been permitted to establish food monopolies, especially in meat, fish, and rice, until they have become scarcer and more expensive probably than in the United States. The price of fish is obviously unjustified in view of the great supply available.

Further information was received from No. [] that on the night of April 14th, 1943, the Berlin radio announced the fact that Vice-President WALLACE had made an unescorted tour of Lima in the early morning of that date.

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Informant [] whose identity is known to the Bureau, discussed this broadcast with Informant [] Informant [] stated that it was a smart job getting this information to Germany so quickly, and he added that the Germans in Peru are too scared at the moment to take any risks, so he was certain the Spanish Embassy sent the news.

The American Society of Peru, the British Commonwealth Society, the Phoenix Club, and numerous other organizations in Lima expressed to the U. S. Embassy their desire to assist in the entertainment of Mr. WALLACE during his visit to Lima. Owing to the brevity of his visit, however, it was not possible to take advantage of these offers.

COMMENTS

During the stay of Vice-President WALLACE in Peru, he was almost constantly surrounded by a crowd of enthusiastic people. These were not only the diplomatic and military persons of Peru but likewise the common man on the street, of the working class. It is the feeling of this office that Vice-President WALLACE was received enthusiastically without exception.

It seemed to be the consensus of people and newspapers that, even though it was impossible for Peru to follow Bolivia's action in declaring war against the Axis, they did not in any way wish the United States to feel that they were not likewise sympathetic, and they apparently set about to show Vice-President WALLACE as enthusiastic a reception as they possibly could.

With the exception of the small Aprista demonstration upon the arrival of President Prado and Mr. WALLACE at the Palace, there were no unpleasant events publicized during his entire visit. At that time it seemed to be the feeling of the people that such demonstration was in protest against President Prado and in no way reflecting upon the U. S. Government.

POLITICAL REPERCUSSIONS

In conversation with several sources of information in Lima, it was stated by them that they felt the repercussions of Mr. WALLACE's visit would all be favorable. Without exception they stated that the first was in the government's mandate of April 16th to the effect that rice, which had been scarce and priced at such level as worked a hardship on the working man, would in the future be sold at a standard price of 48 centavos per kilo (approximately eight cents). At the same time the government set forth the places where this rice would be available and where it would be rationed to customers. It should be noted that in Peru the working man subsists on little more than rice, beans, and potatoes.

The individuals interviewed felt that this political action in the rice situation was the result of some of the statements made by Mr. WALLACE in his speeches and comments concerning the hardships placed on the poor man by the war and the current commercial status. It might also be noted that the rice market in Peru is veritably controlled by Japanese nationals and at the present time there is a 50% shortage in the annual crop.

The persons interviewed feel that the U. S. Government can without hesitation be of the opinion that the Peruvian people definitely displayed their desire to cooperate with the American Government, this attitude being very strongly evidenced in their hearty approval of Pan-Americanism and their reception of Vice-President WALLACE.

Under date of April 14th, 1943, Pan-American Day, the Peruvian Government issued the following official announcement:

"On September 22, 1942, the Cuban Senate voted to request the Executive Power of that nation to initiate negotiations with the Latin American Governments and the Dominion of Canada so that each one of them would issue a public declaration of the approval with which their peoples have been observing the efforts of His Excellency, Mr. Franklin D. Roosevelt, and his collaborators in the Government of the United States, in the service of the good neighborliness of the countries of the Western Hemisphere, based on mutual respect and the firm determination to achieve for all of them a more prosperous and satisfactory existence in the present and the future.

"The Government of Peru considers that this is a propitious occasion on Pan-American Day, coinciding with the visit of His Excellency, HENRY A. WALLACE, Vice-President of the United States, on which to reiterate publicly its adhesion to the motion of the Cuban Parliament in homage to the illustrious figure of the North American Executive, who has known how to convert into actuality the noble aspirations of America and with unfaltering steadfastness, to direct his country along the path of victory.

"This homage to the Chief Magistrate of the United States also offers the Peruvian Government the opportunity to reiterate its irrevocable decision to maintain the Americanist ideals which have inspired the Good Neighbor policy, conceived and executed by President Roosevelt, and of also making public its deep sympathy with Cuba, so closely united with this country by a friendship born in the first moment when the noble West Indian people proclaimed their independence, and in which epic struggle there participated with heroic perseverance illustrious sons of Peru."

There is set out below a report by No. reflecting certain repercussions of the visit to Peru of Vice-President WALLACE:

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Opinions have crystalized concerning Vice-President WALLACE's visit to Peru, which can briefly be summarized as "unfortunate".

A Peruvian friend who arranged part of the official entertainment said to the writer, in effect: "I don't think any more than WALLACE does that we have an ideal government but that does not excuse his bad manners. To slip away in the early morning and visit the working people, while, at the same time being rude to high officials, was not tactful of Mr. WALLACE. Like it or not, this country is run by the present administration and by the type of people who support it. If the United States wants us to be friends, why send a high official who openly disapproves of us?"

On the other hand, there are many people, not necessarily Apristas, who resent President Prado - on account of food monopolies, police graft, general hypocrisy, etc. - and who are privately glad to see his rather smug assumption of complete U. S. backing knocked cockeyed by Mr. WALLACE.

All Peruvians, however, got a laugh out of Mr. WALLACE's speech in Ecuador in which he said that Ecuador reminded him of his home state Iowa many years ago, because of the condition of the roads. Any slur at Ecuador is popular here at present, but the tactlessness of this remark is cited as typical of Mr. WALLACE.

Mr. WALLACE's speech at the Teatro Municipal in Lima has been the subject of much criticism and has aroused a great deal of antagonism. That he praised democratic institutions in the individual countries he had visited but failed to name Peru has jokingly been attributed to the loss of a page from his manuscript. The Ambassador has denied this.

Peruvians were also upset by their own faulty arrangements and lack of protocol. As reported, the Under Secretary of Foreign Affairs and the Minister of Protocol both resigned. After two days, however, President Prado declined to accept the resignations. The only casualty now seems to be Señor LUIS GALLOPORRAS, pro-Axis Mayor of Lima, who closed the Tennis Club to its members in order to give a party for Mr. WALLACE. Outraged members of the Tennis Club have forced GALLO PORRAS to resign as president of the club.

All in all, Peru spent S/800,000.00 (\$123,361.60), plus municipal funds, to entertain Mr. WALLACE. Peruvians regret it.

ENCLOSURES:

1-ENCL. TO THE BUREAU:

Photograph of Vice-President WALLACE in carriage during opening parade on Monday, April 12th, 1943.

Photograph (and negative) of press conference conducted by Mr.

WALLACE at the Palace immediately after the opening parade, April 12th. Souvenir program of "Noche Peruano" in honor of Vice-President WALLACE at the Exposition Tennis Club, April 12th.

Photograph (and negative) of Vice-President WALLACE at the banquet in the Palace on Tuesday, April 13th.

; - C L O S E D - ;

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ENCLOSURE

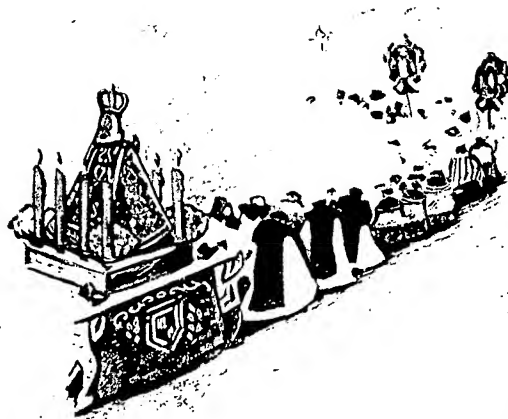
OFFICE OF LEGAL ATTACHE
EMBASSY OF THE UNITED STATES OF AMERICA
LIMA, PERU

Enclosures accompanying the report of No. dated April 21, 1943, in the case entitled:
VISIT OF VICE-PRESIDENT HENRY A. WALLACE TO PERU; PERU - POLITICAL.

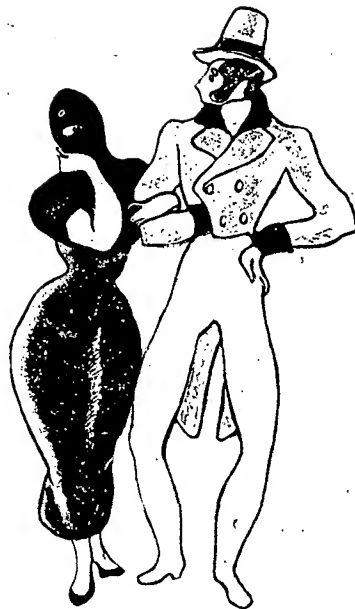
b7D

Photograph of Vice-President WALLACE in carriage during opening parade on
Monday, April 12th, 1943.
Photograph (and negative) of press conference conducted by Mr. WALLACE at the
Palace immediately after the opening parade, April 12th.
Souvenir program of "Noche Peruano" in honor of Vice-President WALLACE
at the Exposition Tennis Club, April 12th.
Photograph (and negative) of Vice-President WALLACE at the banquet in the
Palace on Tuesday, April 13th.

ПОСНЕ РЕКЛАПА



PUBLICATION FILE



LIMA, 12 DE ABRIL DE 1943.
62-71788-16

El Concejo Provincial de Lima, con la
colaboración de la Asociación de Artistas
Aficionados, ofrece una

Noche Peruana

en honor del señor Henry A. Wallace,
Vice-Presidente de los Estados Unidos de
Norteamérica.

Noche Peruana

Dos épocas en una misma plaza

En nuestras ciudades, la Plaza tiene una importancia trascendental. Porque ella es el espejo, el alma, la médula, de su vida, apacible o revoltosa. En la Plaza se juntan las gentes, para presenciar el paso de una imagen, para comentar los acontecimientos más importantes, para festejar los triunfos y aún para chismorrear de la politiquería de casa.

Pasan los años, cambian las mentalidades, transformanse los pueblos y los nobles perfiles de la Plaza siguen siendo los mismos.

Con su torre, su balcón y su fuente. Con su aire y su color. Con su emoción y su copla. La plaza permanece inalterable mientras los hechos trazan distintos caminos.

Las plásticas escenas que vais a ver transcurren en una ignorada Plaza limeña. Y hay poesía, aroma y música de la Patria porque en la Plaza está emplazada la Historia.....

El Concejo Provincial de Lima agradece el gentil concurso prestado por la Asociación de Artistas Aficionados, la Orquesta Sinfónica Nacional, el Orfeón Claret y la Casa Siam, para la realización de la "Noche Peruana".

Estampa
Virreynal



Coreografía KAY MAC KINNON
Música LUIS PACHECO DE CESPEDES,
"La Reja", del Ballet Peruano
"Niña Lisura", estrenado por
la A. A. A.
Procesional interpretada por
Orfeón Claret que dirige el
R. P. Sierra.
Dirección escénica JOSE M. LINARES RIVAS
Dirección General ASOCIACION DE ARTISTAS A-
FICIONADOS.

Los decorados se deben a la gentileza del Arquitecto Sr. Emilio
Hart Terré.
Ejecutados por Tolsa.

La escena ocurre en un ignorado atardecer. Doña Isabela, dama de la aristocracia limeña, que vivió en una casona de la Ciudad de los Reyes, desea alcanzar una gracia de Nuestra Señora de las Cabezas. Para ello acude a la casa solariega de los Marqueses de..... por donde ha de pasar y detenerse la venerada imagen, que anualmente recorre las estrechas callejuelas de la villa virreynal.....

Como se ha oído decir que ella ha ofrecido seguirla descalza, en el caso de serle concedida la gracia, la plazuela bulle de tapadas y de comentarios....

PERSONAJES

Doña Isabela.
El Marqués.
La Marquesa.
Hija de los Marqueses.
Tapadas.
Mistureras.
Jinetes.

Lacayos.
Una imagen en andas.
Curas.
Sacristanes.
Indios.
Pallas.
Tipos populares costefios.

Estampa Republicana




Coreografía
Música

Dirección escénica
Dirección General

KAY MAC KINNON
LUIS PACHECO DE CESPEDES.
(Paseo de Aguas, del Ballet
Peruano "Niña Lisura", estre-
nado por la A. A. A.
JOSE M. LINARES RIVAS
ASOCIACION DE ARTISTAS A-
FICIONADOS.

Los decorados se deben a la gentileza del Arquitecto Sr. Emilio
Hart Terré.
Ejecutados por Tolsa.

 eurre la escena en un claro día inmortal. Un clarín entona el grito de la Independencia. Y tras una celosía asoma la figura de San Martín.

Hay entusiasmo y jolgorio en las gentes. Corren por la plazoleta de un lado al otro. Los lejanos jinetes del norte, del centro y del sur, que oyeron el clarín llegan a la plaza y traen la gracia de sus corceles con las crines enjaezadas.... Y vienen también los galleros y las vivanderas, las chicheras y el pueblo todo que arma una juerga entusiasta. Y hay pelcas de gallos.... Y en el aire, como una flor de espuma, se dibuja el pañuelo que está bordando la marinera.

PERSONAJES

| | |
|-------------|------------------|
| San Martín. | Vivanderas. |
| Edecanes. | Chicheras. |
| Galleros. | Mozas de pueblo. |
| Jinetes. | Soldados. |

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF *declassification*

New York, N. Y.
April 23, 1943

| | |
|----------------|--|
| Mr. Tolson | |
| Mr. E. A. Tamm | |
| Mr. Clegg | |
| Mr. Coffey | |
| Mr. Glavin | |
| Mr. Ladd | |
| Mr. Nichols | |
| Mr. Rosen | |
| Mr. Tracy | |
| Mr. Carson | |
| Mr. Egan | |
| Mr. Gurnea | |
| Mr. Harbo | |
| Mr. Hendon | |
| Mr. Jones | |
| Mr. Mumford | |
| Mr. Quinn Tamm | |
| Mr. Nease | |
| Miss Gandy | |

JD:EMC
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DATE 5/16/83 BY SP-6 GSC/PC

RE: BOLIVIAN COMMUNISTIC INFLUENCE OVER
VICE PRESIDENT HENRY WALLACE

Dear Sir:

On April 21, 1943, SAC Jerome Doyle was advised confidentially by Countess DU BOURG that Senor ORTIZ-LENAREZ, son-in-law of Senor PATINO of Bolivia, had information which indicated strongly that Vice President Wallace was being influenced by Bolivian Communists. Inasmuch as Mr. Doyle had previously met Senor LENAREZ, an appointment was arranged for that same afternoon at Mr. LENAREZ's suite in the Waldorf Towers, Waldorf Astoria Hotel.

DEFERRED RECORD

Mr. Doyle indicated to Senor LENAREZ that he understood Senor LENAREZ had come into possession of information which indicated that Vice President Wallace was being influenced by members of the Communist Party who were native Bolivians. Mr. LENAREZ stated that this was so and proceeded to outline information in his possession.

He advised that about a year ago, a Bolivian named LOZAEA had come to the United States and through the friendship of Vice President Wallace, had obtained a position at Williams College as a professor of Spanish and thereafter, LOZAEA left Williams College and came to Washington, D.C. where he is presently located in the office of Vice President Wallace acting mainly as Wallace's Spanish professor. Senor LENAREZ added that LOZAEA is a known Communist from Bolivia.

Thereafter, LOZAEA with the assistance of Vice President Wallace, brought about the entry into the United States of a Bolivian named ARZE who took over LOZAEA's position as professor Spanish at Williams College, Williamstown, Massachusetts. ARZE, in 1940, was Communist Presidential Candidate in Bolivia and received a total of 273 votes.

The third Bolivian Communist who came into the United States through the assistance of LOZAEA and Vice President Wallace is a man from La Paz, Bolivia, one AUGUSTUS CESPEDES. He formerly owned and operated a Communist newspaper in La Paz entitled "La Calla." Through the medium of this paper, CESPEDES started a campaign against the United States relative to concessions obtained by Standard Oil Company with the Bolivian Government. LOZAEA was then reported to have told Vice President Wallace that CESPEDES did not understand the United States and that was the reason for his attacks. LOZAEA then persuaded Vice President Wallace to sponsor CESPEDES' trip to the United States which he did.

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MAY 17 1943

Director, FBI

April 23, 1943

Upon his arrival in the United States, CESPEDDES is purported to have stated that he had the material for a book describing the working conditions of the Bolivian miners. Vice President Wallace is then supposed to have gotten the motion picture concern Radio-Keith-Orpheum to pay CESPEDDES \$600 a month, and the Board of Economic Warfare has subsequently reimbursed RKO for these payments. CESPEDDES was sent to Bolivia by Vice President Wallace prior to the Vice President's trip to Latin America and CESPEDDES is presently in Bolivia.

LENAREZ then stated that these persons around Vice President Wallace convinced him that the working conditions in the mines of Bolivia were unbearable and something should be done to reform these conditions. LENAREZ states that money was obtained by these individuals from the Board of Economic Warfare's confidential fund and was furnished the Communist agitators in Bolivia who used the fund to precipitate the recent labor trouble in the tin mines of Bolivia. Thereafter, the Bolivian Government, knowing the identities and the personality of the individuals involved in these labor disputes, attempted to have them cease their campaign of preventing the workers from entering the mines. When persuasive methods did not succeed, the Bolivian Army used forceful methods which brought about the death of thirty of the agitators and the expulsion from Bolivia of fourteen leaders.

Mr. LENAREZ states that none of the persons involved in this agitation were regular workers in the tin mines but were all followers of Communism.

Thereafter, a commission was sent by the United States Government to Bolivia to study the conditions in that country. This commission was sponsored by the BEW and upon its arrival in Bolivia, immediately made known that its only interests were the conditions surrounding the labor trouble at the tin mines. The commission was advised by the tin workers that their laboring conditions were ideal and that they made more for their money than any of the tin mine workers of Wyoming or the coal miners of Pennsylvania or West Virginia. In addition, they stated that they had good living quarters and all necessary facilities. The tin miners were all reported by Senor LENAREZ to have stated to this commission that there was no strike in the mines, but that there was only an attempt on the part of agitators to prevent the workers from entering the mines.

When the fact that Vice President Wallace was going to make a trip to Latin America became known to the PATINO interests, they immediately extended an invitation to him to stay at least two days at the Patino mines so that he could see for himself the living conditions and the attitude of the workers. He accepted this invitation and it was the intention of the PATINOs to bring motion picture cameramen from Buenos Aires, Argentina to take pictures of Wallace talking with the Bolivian tin miners. However,

Director, FBI

April 23, 1943

representatives of BEW in Bolivia learned of this plan and one of the members of the United States Commission went to Peru and prevailed upon Vice President Wallace not to go to the Patino mines. He subsequently spent those two days looking over farms in the Cochobomba area of Bolivia.

The foregoing information has been brought to the Bureau's attention so that it may advise the State Department or any other agency of the Government which might be interested in the point of view of the Patino interests who feel very strongly about the adverse publicity received in this country relative to the so-called labor conditions in Bolivia.

Very truly yours,

E. E. Conroy 
E. E. CONROY
SAC

EAT:DS

typed 5-3-48

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AND FIELD OFFICES
ADVISED BY ROUTING
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DATE *2-28-77* *69HC/ra*

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DATE *5/16/83* BY *SP18SKSK*

MEMORANDUM FOR THE ATTORNEY GENERAL

SENT FROM D. O.

TIME *12:50 pm*

DATE *5-3-48*

BY *[signature]*

I wanted to advise you of information which has reached me from a confidential source which indicates the possibility that Vice-President Wallace is being unknowingly influenced by Bolivian Communists. I am bringing this information to your attention at this time because I am informed that some Congressional Committees already have this information and may make an open or public issue of it.

Enriquez de Loyada
I am informed that about a year ago a Bolivian named Lozaea came to the United States and through the friendship of Mr. Wallace obtained a position at Williams College as a professor of Spanish. Later, Lozaea left Williams College and came to Washington, D. C., and is presently located in Mr. Wallace's office. I am advised that Lozaea is an active member of the Communist Party in Bolivia. Lozaea induced Mr. Wallace to assist him in bringing to the United States a Bolivian named Arze, who succeeded Lozaea as professor of Spanish at Williams College. Arze in 1940 was the Communist Presidential candidate in Bolivia. Lozaea also is reported to have brought to the United States one Augustus Cespedes, a Bolivian newspaperman who formerly owned and operated a Communist paper in La Paz known as "La Galla". In this newspaper Cespedes conducted a campaign against the United States concerning concessions obtained by the Standard Oil Company with the Bolivian Government. Lozaea is reported to have convinced Mr. Wallace that Cespedes did not understand the United States and that this was the reason for his attacks. Lozaea allegedly persuaded Mr. Wallace to sponsor Cespedes' trip to the United States.

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Hendon _____
Mr. McGuire _____
Mr. Mumford _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

It is further alleged that subsequent to Cespedes' arrival in the United States, Mr. Wallace induced the Radio-Keith-Orpheum Company to pay Cespedes \$200.00 a month because of Cespedes' possession of material for a book relating to the working conditions of the Bolivian miners. Through Mr. Wallace's intercession, it is alleged that the Board of Economic Warfare reimbursed Radio-Keith-Orpheum for the payments made to Cespedes. Apparently Cespedes has returned to Bolivia.

It is alleged that the Bolivians named above have furnished Mr. Wallace with improper information concerning working conditions in the Bolivian mines and that Mr. Wallace

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**Memorandum for the
Attorney General**

-2-

obtained money from the Board of Economic Warfare's confidential fund which was furnished to the Communist agitators in Bolivia, who used the fund to precipitate the recent labor trouble in the tin mines of Bolivia. The Bolivian Government, knowing the identity and personality of the individuals involved in the labor disputes, attempted to have the campaign discontinued and when persuasive methods did not succeed, the Bolivian Army used forcible methods to quiet the unrest, which methods brought about the death of thirty of the agitators and the expulsion from Bolivia of fourteen of the leaders in the labor trouble. It is alleged further that none of the persons involved in the agitations were regular workers in the tin mines but were all Communists.

Respectfully,

J. Edgar Hoover

**John Edgar Hoover
Director**

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Hendon _____
Mr. McGuire _____
Mr. Mumford _____
Mr. Harbo _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

Record No. ED-43
May 13, 1943

RECEPTION OF VICE PRESIDENT WALLACE
IN LATIN AMERICA
(Second Report)

SECURITY DIVISION
-ROUTING-

Mr. Mumford.....
Mr. Alden.....
Mr. Clegg.....
Mr. Cunningham.....
Mr. Fitch.....
Mr. Little.....
Mr. Strickland.....
Mr. Timm.....
Mr. Welch.....

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Copy No. 105

62-71788-78
18 MAY 25 1943
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7 3 JUN 25 1943 351

RECEPTION OF VICE PRESIDENT WALLACE
IN LATIN AMERICA
(Second Report)

This is the second compilation of comments from Latin American countries dealing with the recent visit to that area of Vice President Henry A. Wallace.

A total of 113 letters were reviewed, quotations from 60 of these being used in the report. As in the previous report, most of the comments are favorable. There are some adverse reports, notably from Peru, where several writers refer to the food shortages and demonstrations against the local government. A few others charge that the Vice President's theories are communistic.

The quotations selected for inclusion in the report were so chosen as to present a cross section of the varying shades of opinion in each country in the same ratios as these appear in the total correspondence from that country.

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DATE 5/16/83 BY SP1 BSK/SC

Argentina

Displeased Mr. Wallace Did Not Visit Argentina

American resident of Buenos Aires to New York City: "Also the local press has been giving another big bunch of space to the travels of Mr. Wallace and his addresses to the people of the various countries he is visiting. Of course the local folks have their noses somewhat out of joint because Mr. Wallace passed them up..." (4/7/43)

Bolivia

Great Enthusiasm

Bolivian in La Paz to Honduras: "Mr. Wallace has been received with great enthusiasm. I can say that my democratic country is giving a good example to the Republics of South America." (4/6/43)

Took Country by Storm

American official in La Paz to Texas: "...Vice President Wallace's trip...he is now in Bolivia and has practically taken the country by storm.... I think the one thing that has endeared him most to the Bolivians was the two sets of tennis he played on the afternoon of the day he arrived in La Paz--at 12,000 feet altitude. Even most healthy people usually feel the altitude. The first couple of days but Wallace has taken it completely in his stride. (4/8/43)

Shower of Flowers

Resident of Cochabamba, writing in English, to Texas: "Wallace does all his speaking here in Spanish, and although it is at best a gringoish sort of Spanish, yet the people really appreciate his effort, which is lamentably greater than that of notable American diplomats of the pre-Hull era. One slightly amusing bestowal of tokens of appreciation occurred on the main plaza. The cars were moving along at a snail's pace when suddenly from the balconies above descended whole showers of roses and bunches of flowers. The Vice President's tiredness vanished in a very sudden duck. And quite understandable, for pro-Axis sentiment is stronger among the army people of Bolivia than almost anywhere." (4/10/43)

Cool Reception

Bolivian woman in La Paz to woman of Spanish name in Maryland: "The fact is that Wallace's reception has been rather cool as the newspapers stated. The cause of this was the enormous fifth column which operates here. Certain groups which are always antagonistic towards the United States claim that Bolivia is being abused... and finally that this gentleman is a Communist, which is the most odious thing here. However, officialdom did very well, all it could do in such a short time. We really have very bad luck. Bolivia has been the first country to back up the United States at all times, breaking off relations with the Axis, etc. On the other hand, Chile which waited to see who was going to win, in order to break with the Axis... receives greater preferences even in Wallace's visit." (4/20/43)

Chile

Feel Honored by Visit

Chilean in Santiago to Pennsylvania: "In a few more days we will have the honor of receiving, as host, the illustrious Vice President of the U.S., Mr. Wallace, to whom all of Chile is prepared to give a warm welcome. Our government and all the people of Chile, are anxious to shake the hand of such an amiable person, and upon doing it, we wish to say that the hand he takes, will continue to be united to that country by the indissoluble tie of sincere friendship that the Chilean knows how to offer." (3/23/43)

Schools Become North American-Minded

American woman in Linares to California: "Chile has been very North American-minded these days with the visit of Vice President Wallace to this country... Many of the school children have had to write compositions relating to his visit and the United States. Only yesterday the principal of a nearby girl's school was asking for the American national anthem, and just today teachers in a neighboring boys' school sent to ask for a copy of the U.S. flag as he wanted to draw it to accompany a picture he had sketched of Mr. Wallace." (3/25/43)

Called Great Apostle

American woman in Santiago to Tennessee: "Chile is delighted with Mr. Wallace because he speaks Spanish and finds him very simpatico. That is their strongest term and means more than our word 'charming.' More than 100,000 people were in the National Stadium Sunday to hear him and the different colonies gave wonderful programs before he spoke. The most effective one was a big V made of lovely girls bearing the big flags of the United Nations on one side and the defeated nations with their flags lowered on the other side making the V. They then stood at attention while he spoke. He named all the great leaders and then said: 'God protect them and bless them.' That multitude (was) perfectly quiet and our best paper, 'El Mercurio' commented on that prayer today and said he was more a great apostle than statesman. Wallace says Chile has given him his most cordial reception." (3/28/43)

Wishes Wallace Could Remain to Govern

Chilean in San Jose to Iowa: "The magazine was dedicated to Sr. Wallace. Here they say 'Vayase.' Nevertheless, there is a wild enthusiasm for him. The man seems very simple and frank. He didn't want a special train or dances or anything unusual... That a fine thing it would be if he were to remain here now to govern." (3/31/43)

No Adverse Criticism in Papers

American in Santiago to Texas: "One of the unofficial members of the Government told me that it was very unusual that Wallace received no adverse criticism in any of the papers here where they tend toward that." (4/3/43)

Crowd Subdued

American in Antofagasto to Tennessee: "At the Plaza last Sunday we were disappointed not to hear him speak from the balcony of the Intendencia... he only appeared and said a couple words to the waiting crowds. And it was a crowd! But they were sort of subdued--aside from some hand-clapping there was no fervor in the crowd--so different from what he found in other places he visited." (4/10/43)

Request Reprint of Speech

American in Santiago to Ohio: "Went to the Embassy to greet V.P. Wallace last week. He made a great impression and people are asking everywhere for his Ohio 'colony' talk which they have printed in Spanish.... He made a great mark for North America and always said the right thing." (4/10/43)

Huge Crowd at Stadium

Woman resident of Santiago, writing in German, to wife of author: "We had a distinguished visitor from the States--Vice President Wallace. He was given a reception at the Stadium where 30,000

[REDACTED]

people gathered. Ernst was also there but I went to the Sport Club because I did not care to enter into this mob. I listened to the speeches on the radio and heard the applause." (4/11/43)

Predicts Good Results from Visit

Englishman in Santiago to Michigan: "We are looking forward to seeing your Vice President, Mr. Wallace, in the near future and I feel a lot of good can only come from the visit of this gentleman to Chile." (3/17/43)

Wallace Second in Popularity to Roosevelt

American in Santiago to New York City: "Right now, there are two big headline news in Chile. First, is the coming visit of Vice President Wallace....As regards the visit of Wallace, this is certainly a great event in South America, especially Chilean, relations with Uncle Sam, chiefly because Wallace is second only to Roosevelt in popularity in the South American countries. Firstly, the fact that he speaks Spanish, which is practically unique among U.S. leaders, and secondly because he is a great authority on agriculture, and has always worked for the benefit of the farmer in U.S., (taking into consideration that all these countries are essentially agricultural), and thirdly because he has in recent years taken great interest in South American matters, have all added up to the fact that he is extremely well liked, not only by South American politicians, but by the people themselves..... At any rate, ever since Wallace decided to come to Chile, every move he has made, and every word he has said has appeared in front headlines, and the president and his cabinet are running all around the town preparing the festivities which await Wallace." (3/18/43)

New Chilean Peso Called Wallace Issue

Resident of Santiago, writing in English, to Missouri: ".... Sending you a new Chilean Peso--they are calling it the Wallace issue. They say Wallace is getting all our copper and we get this." (4/20/43)

Communist Welcome Enthusiastic

American businessman in Chuquibambilla to Montana: "Suppose you heard...how we were honored (?) with...Henry Wallace.... Speeches were given, banners flaunted....The Communists had their banner with the sickle and hammer and also Wallace spelled out in very large letters. He certainly grinned when he saw that." (4/22/43)

Beggars Locked Up

Nun in Santiago school, writing in English, to nun in Pennsylvania: "When Mr. Wallace visited Santiago, all the beggars were taken and locked up for the duration of his visit. They did not want him to see that condition." (4/26/43)

Colombia

Poor Reception

Englishwoman in Medellin to parents in England: "...Today Wallace, Vice President of the United States, arrived in Medellin for a few hours. He has been to every country in South America except the Argentine. He had a very poor reception here as the people were all too busy with their religion. He could not have chosen a worse day in all the year to come. Anyway I don't think he would have had a much better reception if he had come on another day as the people here do not like the Americans. ..." (4/23/43)

Only One Discordant Note

Wife of American official in Bogota to California: "Wallace has just paid us a visit... He seems to have made a very good impression... The only discordant note I heard was the painting on our apartment house building and on the auxiliary Embassy quarters across the street (the route down which he came with the President of Colombia on his way from the airport) of notices to the effect: 'Down with Wallace,' 'Down with the Yankees,' 'We have no more Panamas...' However, that sort of thing is to be expected from a disgruntled minority or from German elements trying to stir up trouble." (4/23/43)

Radicals Blamed for Adverse Signs

American businessman in Puerto Wilches to Texas: "Vice President Wallace arrived here Wednesday and left today. There was quite a celebration here in his honor. Also some radical groups managed to make themselves known by painting a lot of uncomplimentary signs in prominent places around town. The signs said in Spanish: 'Wallace, we have no other Panama. Down with the Yankees!'" (4/23/43)

Call Wallace "Don Enrique"

Resident of Cali, writing in English, to New York City: "Policy of simpatia or liking each other is the name Latin Americans are giving to the kind of diplomacy Vice President Henry A. Wallace used on his tour of seven of their countries, just completed. Everywhere it was the same atmosphere. People seemed to like the Vice President and the Vice President seemed to like them. It was spontaneous and there wasn't a single incident to mar the wave of good feeling.... The natives call Wallace 'Don Enrique.' Don being both respectful and intimate. He was put on public display and paraded through clamoring crowds in several cities. He was showered with gifts but refused to accept anything of value." (4/24/43)

Varied Public Demonstrations

Colombian in Bogota to Republic of Panama: "During Vice President Wallace's visit many public demonstrations were given. The 'Nazi Criollos' participated, showing many showbills allusive to Panama. One of these bills read 'No Other Panama for Sale.' But as here still these individuals are tolerated, nothing was done to them." (4/26/43)

Wins Friendliness of People

Colombian in Barranquilla to woman in Dominican Republic: "Vice President Wallace visited Colombia lately and was greatly entertained. He is a very nice man, extremely broad-minded; he talked to everybody, played tennis, visited personally all those whom he had met in the States. All this he does for the Unity of the Americas and by doing it he wins the friendliness of the people." (4/26/43)

Received with Affection

Colombian in Bogota to New York: "I wish to inform you Hector that last week the illustrious Vice President of the United States, Mr. Wallace, visited us. He was given much attention, entertained a great deal and received with a lot of affection and left a very favorable impression on the Colombian people." (4/27/43)

Costa Rica

Workers to Give Big Welcome

Woman of Spanish name in San Jose, secretary of group of anti-totalitarian refugees, to son in Minnesota: "Writer states that Mr. Wallace will arrive Thursday the 18th and that the masses of workers are going to give him a big welcome. There will be free trains that day and 10,000 students will form a guard of honor from the airport to the Casa Amarilla. Writer adds that Mr. Wallace wishes to speak directly to the peasants and laboring class in order to find out the real condition of the country." (SA 145842 3/11/43)

Everyone Making Ready for Visit

American in San Jose to Maryland: "Everyone here is making ready for the visit of Vice President Wallace who is to arrive here late this week. The Costa Ricans are almost passionately loyal to Uncle Sam and you see our flag as often as theirs. They are much more U.S. than any other people that I have seen down here." (3/16/43)

Wallace "Just Divine"

American woman in San Jose to Alabama: "Today was a big day in San Jose. Vice President Wallace arrived. Free trains brought people from all the other provinces to San Jose and there was much flag-waving and flower-throwing and confetti entanglements and shouting and singing and all the people thought that Wallace is 'perce divino' (just divine) and the cause of inter-American solidarity marches forward I suppose." (3/18/43)

Fine Speeches in Good Spanish

Doctor of Spanish name in San Jose, writing in English, to doctor of Spanish name in Louisiana: "English is so commonly heard in streets and public places as it is Spanish. For some reason what I don't know, a very low percentage of Americans try to learn Spanish. There have been many American ministers who have lived in this country

[REDACTED]

try several years, and go back to the States without knowing a bit of Spanish. We are used to that. -- That's why we are pleasantly surprised to hear Mr. Henry A. Wallace making fine speeches in 'good Spanish,' when he came to Costa Rica two weeks ago, to set the headstone for the buildings of the 'Instituto Inter-Americano de Ciencias Agricolas,' a huge enterprise for the benefit of all American countries. It was a big event, and we were proud to have him here." (3/31/43)

Cuba

Arcuses Interest of Labor Circles

American in Matanzas to Nevada: "Mr. Wallace's trip to South America has created considerable interest in labor circles in Cuba. We were asked by one of our labor delegates yesterday if it was true that Mr. Wallace planned to stop at Matanzas en route from South America to Washington." (4/28/43)

Ecuador

Referred to as Santa Claus

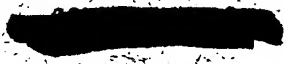
American in Quito to Illinois: "Your good friend V.P. Wallace is coming here in a few days and all the local people are practising their best manners and the old song 'Santa Claus is coming to town' can be heard throughout the land." (4/2/43)

Complaints Readied for Wallace on Arrival

Ecuadorean in Guayaquil to Ecuadorean official in New York City: "They are waiting for Wallace here, in order to complain; because even though all facilities have been given to the Americans to establish their military bases in Galapagos and Salinas; and thousands of tons of rubber, balsa wood, etc., have been sent them, the newspaper enterprises are going to close because of the lack of paper, automobiles are going to stop running because of the lack of tires, etc." (4/14/43)

Splendid Reception in Midst of Deplorable Conditions

Ecuadorean doctor in Ambato to Ecuadorean official in New York City: "... It seems that the reception is going to be splendid in the midst of our deplorable economic situation. But, nevertheless, it cannot be otherwise for an intelligent and observing person like Mr. Wallace, so that he may understand that before anything else, there is good will and understanding on the part of our country, and he will find an atmosphere of sincerity in all the manifestations. I hope that our sincerity is evident and that his visit may be the motive for him to do for this great country what he has done with the others, who have taken the continental solidarity less to heart, to try to obtain for us the means by which our cooperation may be effective, taking care of the economic situation and supplying us with the means of acquiring



the materials for our industries in decadence and the money to exploit our raw materials of which the United States too has need. There is agreement here for the most efficient co-operation, but this cannot be realized if he does not help us in some effective way.....It looks like the visit of Vice President Wallace has made the politicians put aside somewhat their political activities in homage and proof of respect to so distinguished an American citizen." (4/14/43)

Decree Ordered Workers to Parade

Man of Spanish name in Quito, writing in English, to New York City: "I like and admire Wallace; but, the people responsible for running the show, both South Americans and Americans have not been very intelligent about it. For example: the day W. arrived D. went to the San Diego quarry to get the remaining stones for the pergola columns and the Indian concessionaires informed him that the government had ordered them to parade and to forbid, under penalty of a heavy fine, any of their employees from working; D. then tried to buy bread and finally found one bakery open, the owner of which, a friend of his, confided to him that he had two men working 'en cachette,' paying them double wages, and risking the penalty for working and not parading. Everything was paralyzed by government edict. Our enemies could have done little better to sow the seed of resentment." (4/18/43)

Affectionate Demonstrations Suppressed

Ecuadorian in Guayaquil to soldier of Spanish name in U.S. Army, California: "Ecuador is honored with the visit of Mr. Wallace, Vice President of that great nation. However, the people of Ecuador feel depressed and ashamed by the restrictions imposed by the government; that has placed them within an iron circle, prohibiting the presence of other elements that are not unconditional and even imposing silence upon the press, so that he may not come to realize the absolute totalitarianism that reigns over the nation, the innumerable citizens that are now imprisoned or persecuted because of their democratic and republican ideas, and that he may not take notice of the contradiction that exists between their phrases and the tyrannical confinement with which it has chained the nation. They have deprived us of all demonstrations of affection, of adherence, of personal sympathy toward one of the most renowned and distinguished citizens of the United States, and of effective Pan-American solidarity." (4/18/43)

Peru

Wish to Equal Chile's Reception

Peruvian woman in Lima to Peruvian official in New York City: "There are many preparations being made to receive Wallace. He can't be left behind because in Chile they have received and treated him with great pomp. He seems to be a man of talent, judging by his speeches that I have read. I believe he is a possible successor to Roosevelt. In Lima he will remain

6 days and will visit Cuzco and Chimbote. The American engineers are doing great work there, establishing the metallurgical plant which will bring much welfare to this country." (3/3/43)

Wonderful Reception

Resident of Peru, writing in English, to England: "Here we have just had the visit of Mr. Henry Wallace, the Vice President of the States. I didn't meet him but he seems a very attractive man, and what went so well down here was that he spoke Spanish. We had a wonderful reception, and I think his visit has done a lot of good, but of course when Chile broke with the Axis, they thought they were going to get some special treatment from the States and instead of that they have been told that the States can't ship any more goods than they are doing now, possibly none at all." (4/3/43)

Tremendously Popular

Resident of Lima to Cuba: "While I am writing, Mr. Wallace is just arriving on the big square in front of the hotel-- a tremendous enthusiasm, he is tremendously popular, his goodwill tour is a success." (4/4/43)

Believe Wallace Will Be Next U.S. President

Peruvian in Lima to man of Spanish name in California: "We are preparing for the reception of the vice president of that country, a person who has captured everyone's sympathy by his pleasant manner and democratic behavior. I believe that Wallace will be the next president of that country and with his election to that position, the U.S. will gain much. The newspapers say that in Chile they have received him enthusiastically..." (4/7/43)

Welcome Signs on Walls

Woman in Peru, writing in English, to Massachusetts: "The walls on vacant lots on the way to the city have been painted with big signs which say 'Peruvians greet Mr. Wallace in the Plaza de Armas on ...' He has been a very good-will fellow because he spoke to the people in their own language and told them the very things they wanted to hear. No one who has not lived in So. Am. could believe how easy it would be for the U.S. to have this entire continent eating out of Uncle Sam's hand--provided that the northerners learn how to deal with the southerners." (4/8/43)

Apristas Unable to Participate

Letter in English from firm in Lima to New York: "One of the most amusing things about this Wallace business is that Haya de la Torre and the Apristas are out to show Wallace that this is not a democratic country with freedom of speech, since they are unable to join in any manifestation in his honor for fear of being jailed as soon as they come out of hiding. Some people say that they're coming out anyway, and others say that they have written a manifesto to Wallace explaining why they can't come and call on him." (4/9/43)

German Store Displays Flags and Posters

American woman in Lima to husband in California: "...All the stores are bedecked with flags and posters welcoming Vice President Wallace. One of the largest stores in town is Casa Welch which is definitely German owned. This store had more flags than all the rest and had one huge poster in their window: 'Wallace, El Mensajero de Democracia!' Casa Welch is certainly not patronized by us! (Just heard rumor Peru will declare war in a few days.)" [redacted]

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"Cupboard Love"

English firm in Lima to London: "... we are at present suffering from an outburst of enthusiasm for the Americans due to the visit of Wallace but I am very much inclined to believe that all those demonstrations smack of 'cupboard love.'" (4/10/43)

Deceptive Impression Planned

Peruvian woman in Lima to New Jersey: "Tomorrow Wallace arrives and Manolo (President of Peru) is preparing a great reception... It seems that Manolo is scared to death in spite of everything, for he has been jailing all the Apristas for a week in San Lorenzo, and everyone who has a faint aroma of Aprista is one to him. He wants the Panagra plane to land at Fawcett Field so the V.P. will have a better impression on entering the city, so he has had all the fine trees on the golf course cut down (to the fury of all members) so there won't be any danger on landing. All these exhibitions and expenses are out of place in these times in which we are living..." (4/11/43)

Criticism of Social Activities

Peruvian woman in Lima to Florida: "Wallace gets here tomorrow, and because of that there is great enthusiasm in Lima to receive him. Everything is full of flags and great parties are being prepared for him. You know what inventors they are here and they're acting as if it were God who is coming. I think they're even going to make it a holiday. In the meantime they don't bother about the food situation. We're having a hard time finding things. There isn't any rice, potatoes, and meat only once a week, and very expensive... Eggs are 40 cents each one and hard to get... I don't understand what's going on when we produce all of that here." (4/11/43)

Visit Precipitated Closing of German and Japanese Shops

Woman in Peru, writing in Spanish, to parents in Republic of Panama: "During the course of these days the situation of the German and Japanese has been very troublesome (for them of course). It appears that German and Japanese establishments will be allowed to stay open until the 31st of this month; those who have not liquidated their business by this date must close and turn over all merchandise to the Government who will take charge of the liquidation. • The arrival of Vice President Wallace precipitated this train of events." [redacted] 4/12/43

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Reception Marred by Political Demonstration

Peruvian in Lima to Massachusetts: "The reception was magnificent. There were people from the Faucett field to the armament square as never seen before. Wallace has been very much applauded but Prado was whistled every minute by the people asking him for meat, rice, and potatoes. They did not let him speak two words... Later the people tried to enter through the Giron and were confronted by the police who took out their revolvers... Tere and Quique were frightened in spite of the fact that not one shot was fired." (4/13/43)

Received Coldly

Peruvian in Lima to army officer with Spanish name in Washington, D.C.: "Yesterday Wallace arrived in Lima, and a celebration resulted. The reception was somewhat cold, and in the Plaza de Armas there were whistling, shouts of 'hunger,' etc., and white handkerchiefs. The 'Aristas' sounded, as usual, a bad note. I don't know when the government will put an end to these people who are bad citizens, and who take advantage of any opportunity to represent us as savages." (4/13/43)

Wallace Captivates Spontaneous Affection

Peruvian in Arequipa to Peruvian naval officer in Florida: "We have had on the way to Bolivia and on returning from Cuzco Mr. Wallace, Vice President of the United States, who has been paid tribute with great demonstrations of affection, he has been able to captivate the spontaneous and sincere affection of the people of every class of society, his presence and his words exciting fervor for the solidarity of the Americas and for democracy. Mr. Wallace has been the best emissary." (4/14/43)

Made Hit with Laboring Class

Letter in English from cultural institution in Lima to Arizona: "The Great White Father (Henry W. Wallace) has come and gone... His visit was a great success both from the American and Peruvian point of view. I rather think that the Peruvian Government was happy to see him go for he is considered as being too much for the working class. Of course such a viewpoint here is not all popular in the higher circles..... Wallace has made a great hit with the Peruvian laboring class for he does all his talking right down their alley. As the result of this, the Government here has been a little uneasy, for any encouragement to the working class is not counted as the right thing." (4/15/43)

Displeased Authorities

Translation of letter from Lima to Canal Zone: "Wallace's visit to Lima was interesting. He displeased the authorities by his socially-mindedness, interest in mines, Indians, etc. One morning he went out early alone, went to the Central Market, had breakfast in a little store. When he came back, the Peruvian

were greeted him. On the day of his arrival the Plaza de Armas was crowded. But people shouted and whistled and cried for rice and food, so that no one could understand anything. Many of our servants were there, and all told the same story. There was shooting, one man killed...." (4/15/43)

Rice on Market after Visit

American in Lima to New York City: "There has been a scarcity of foodstuffs for some time and public discontent was made manifest during the visit of Mr. Wallace. He was enthusiastically received by all classes and his speech from the palace well applauded, but when Prado started to speak many people in the plaza turned their backs and whistled. The reaction was immediate for the day after Wallace's departure the government ordered all peddlers to carry rice and sell it for 18 cents a kilo, forced out from storage hoarded stock, and ordered many sugar haciendas to put part of their land into rice cultivation." (4/16/43)

Ministerial Crisis Result of Visit

Peruvian to relative, a Peruvian official, in Florida: "Mr. Wallace's visit has ended. Great honors of every kind have been rendered him, but in a speech at the palace he used a happy phrase: 'It is the duty of the ruler, above all, to see to the welfare of the people.' Since rice is \$1.50 a kilo, eggs 9.40 and so on, this little phrase fell burning on the official ranks and a ministerial crisis is already being planned, for the Executive did not know that the people were starving." (4/17/43)

Reception Not Good Enough

Man in Lima, writing in Spanish, to soldier in U.S. Army, Louisiana: "I have had the pleasure of seeing Mr. Wallace who is a very intelligent man and who has great powers for captivating. It seems incredible that the people of Lima have not received him effusively as I had predicted; you know that because of a fortuitous scarcity of foodstuffs, not through any fault of the Government, but of the climate and the scarcity of transports, there was a certain discontent and as the fifth column is ever watchful, they spread the foolish idea that the scarcity of foods was due to the fact that the American boats were carrying them away, and there you have the key to everything. The people are always as idiotic as a flock of sheep." (4/19/43)

Felt "Dammed with Faint Praise"

American in Lima to California: "... Wallace gave a short speech at the Teatro Municipal in which the Peruvians felt that he dammed with with faint praise." (4/19/43)

Working Class Gave Warm Welcome

French resident of Lima to New York City: "I saw Mr. Wallace upon arriving in Lima and here they gave him a warm welcome, as everywhere and especially in the working class; for example, in Chile there were Communist flags and here also, but they were removed afterwards." (4/23/43)

Won Sympathies of People

Peruvian in Lima to New York City: "... He had the visit of Vice President Wallace, who, from the first moment, won the sympathies of the people, for he does seem to be a true friend of the people and his speeches show it; but our friend Dr. Hector Lazo certainly gave us some cold showers as regards experts and he told us very clearly that we should tighten our belts and hold tight on the rope to suffer this state of affairs until after the war." (4/23/43)

Liked by People

American in Lima to Iowa: "Wallace is gone--liked by the people, with whom he mixed a bit and not disliked by the women (Catholic, anti-Communist) and not liked by the ruling classes who see their monopoly endangered by liberals." (4/26/43)

Blow to Inter-American Relations

Peruvian in Lima to New York City: "I am writing this letter with great sadness because I see that all the work which we have done to improve good relations between our two countries has received a severe blow. The visit of Vice-President Wallace, instead of improving our relations, has made them worse. The Vice President has been reserved and discourteous in spite of the magnificent way we received him, and he has wounded everyone.

"You and I have been with the leftist leader in an interview and you know the good relations which exist between us; therefore, I have no personal motive which will keep me from telling the truth. The political party APRA is widespread in Peru, but it does not represent the feelings of all Peruvians. There are very important groups outside of that party. It is not true either that the Government is a tyranny. It is a government respectful of individual rights. The laws of repression are used only against those who go outside of the bounds of those laws. It seems that the Vice President was impressed by the members of that party who exaggerated the situation here and the attitude of the Vice President was one of frank censoring and meddling in our domestic affairs.

"It has turned out that after receiving him so splendidly everyone has cooled off and there is much censuring and resentment at his attitude. I lament this situation and I want you to know it so that things may be understood clearly there. The people believe that he has come here to meddle in our affairs and do us harm instead of good.

[REDACTED]

"Mr. Roosevelt's policies effectively brought about much sympathy for the United States in Peru, but an attitude in such bad taste as that of the Vice President ruins all the work that has been done. Make this fact known there because for the future policies of the hemisphere it is not well to have a person so little fit as he." (4/26/43)

Criticizes Speeches

Peruvian in Lima to New York City: "In reference to Wallace's visit, there is nothing worth mentioning, only the lamentable disorganization that was noticed in all the ceremonies and entertainments. With regard to the visitor all he did was to talk about 'Democracy,' the 'racial equality,' etc...subjects which he would be doing right in supporting in his own country! 'Division of lands' -- 'half breeds,' etc! It is right to be the friend of the people, to want to improve their conditions, but it is not right to deceive them with utopian ideas, and even less to want to be, not socialistic, but communistic." (4/26/43)

PLACE:

Quito, Ecuador

DATE:

May 5, 1943

REPORTED BY:

b7D

TITLE:

VISIT OF HENRY A. WALLACE

CHARACTER:

ECUADOR - POLITICAL - M

SYNOPSIS:

On request of U.S. Embassy precautionary measures for the safety of Mr. WALLACE were taken and are set out in detail. WALLACE was in and near Quito from 1:45 PM April 15 to 7:45 AM April 19, and in Guayaquil from 9 AM April 19 to 1:20 PM next day, departing for Cali, Colombia. Program and miscellaneous activities in Quito, Guayaquil and environs set out. Prevailing feeling of populace at all places observed to be favorable towards WALLACE personally as well as to the United States. Very little adverse comment or manifestations were observed or reported. Activities of the vice president included formal and informal receptions, dinners and conferences, a visit to Otavalo, the experimental station at Pichilingue, farms enroute to Otavalo and in the Chillo Valley, as well as visits to balsa and rice mill in Guayaquil. During his movements a moderate amount of enthusiasm was observed among the people, and very little disorder was manifest. The vice president showed interest in all stratas during his visit and through this apparently gained considerable good will.

COMMENTS:

STATUS:

---CLOSED---

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1BCK JC

228303

Report of [] dated 4/5/43 entitled "Visit of vice president Henry Wallace"
Report of [] dated 4/8/43 entitled "Political Activity visit of Vice
President Wallace to Ecuador.

b7D

REFERENCE:

Made Available to:

- () Embassy (Consulate)
- () M.A.
- () N. A.
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Copies:

Bureau 5
Quito 2

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61 JUN 5 1943

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| FEDERAL BUREAU OF INVESTIGATION | |
| MAY 20 1943 A.M. | |
| U.S. DEPARTMENT OF JUSTICE | |
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ORIGINAL FILE IN

VISIT OF HENRY A. WALLACE
ECUADOR- POLITICAL-M

DETAILS at Quito, Ecuador

On request of ALFRED T. NESTER, Charge d' Affaires a. i. in memorandum dated March 16, 1943 arrangements were made through informant [] and AUGUSTO GUERRERO Jefe de Seguridad for Pichincha province for either or both of these parties to accompany the Secret Service Agents and be at their disposal during the entire sojourn of MR WALLACE in Ecuador. At this time arrangements were made through [] for suitable automobiles to be constantly at the disposal of the party, with competent drivers.

A memorandum dated April 1 submitted by [] advises MR NESTER that a reliable source informs that president DEL RIO has been very cool towards suggestions of friends to have private parties for MR. WALLACE due to the danger of persons not in accord with the present regime having parties for the vice president criticising the administration before WALLACE. Instead DEL RIO through his program committee arranged to have only persons known to be friendly to the administration invited to the functions in honor of WALLACE.

On March 29, 1943 reporting agent, on request of Embassy officials inspected the premises and environs of the MERCADO HOUSE which had been selected as the temporary residence of WALLACE. At this time agent made recommendations for the posting of guards at all approaches to the house, as well as at the entrances to the building. For this purpose Agents from the Seguridad Office, armed Carabineros, and a Guard of Honor at the front entrance composed of Cadets from the Carabineros Officer's Training School were posted, the morning of the scheduled arrival, after having been instructed in their duties.

On this occasion a sketch of the house and environs was made, and the exact locations of the guards was marked by asterisk. A copy of this sketch was furnished informant [] and one is being sent in attached to this report. The occupants of the surrounding houses were questioned by [] their names obtained and checked against the indices. ONLY one of the neighbors appears in our files RAYMOND MERIGUET, and he is described as a leader in the local Free French movement, and secretary of the Ecuadoran Popular Antitotalitarian Movement, not being regarded as dangerous.

ON April 14, 1943 the advance Secret Service Agent arrived in Quito at 7:00 PM by military plane. He was met by [] who furnished him every assistance.

During the morning of the arrival of Mr WALLACE this secret service agent was accompanied by [] who gave him every possible assistance.

The program followed in Quito follows:

April 15

- 1:45 PM Arrive Quito. Short official welcome at airport and depart immediately for residence.
- 3:30 PM President Arroyo will receive vice president. At this time the President of the Congress, Ministers of State, and Commander of the armed forces will also be present.
- 4:00 PM Vice President will place wreath on the monument in the Plaza de la Independencia.
- 4:45 PM Vice President will receive Diplomatic Corps.
- 5:30 PM Reception by the municipality when Mr. Wallace will be made guest of honor of the city.
- 8:30 PM State dinner followed by formal reception.

April 16

8:00 AM Visit to American School, Quito

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HEREIN IS UNCLASSIFIED 228303
DATE 5/16/83 BY sp/BSE/DC

8:30 AM Leave Quito by motor to drive through the Chillo Valley, making several stops at farms enroute where vice president may see agriculture on foot and talk with whom he may desire.

12:00 Noon Arrive Chillogallo for lunch of native dishes, followed by Indian dances and livestock show. Representative groups of farmers, business men, bankers, etc. will also be present.

2:30 PM Leave Chillogallo for Quito.

3:00 to 4:00 PM Visit two factories where there will be an opportunity to talk with workers. One factory to be a quinine processing plant.

4:30 PM Depart for Cayambe enroute to Otavalo spending the night at the hacienda of NEPTALI BONIFAZ.

April 17

5:00 AM Depart for Otavalo and return for lunch at BONIFAZ hacienda enroute to Quito.

5:00 PM Press conference in Quito.

5:30 PM to 8:30 PM Cocktail party offered by Minister of National Defence at Aviation School.

9:15 PM Intimate dinner at the home of President ARROYO.

April 18

8:30 AM Leave Quito for Quevedo by military plane. Thence proceed by boat to Experiment Station at Pichilingue. Lunch at station and leave in time to reach Quito in early afternoon.

Balance of afternoon devoted to receiving various groups.

6:30 to 7:00 PM Bolivarian Society will present medal at vice president's residence.

10:00 PM American Embassy reception.

April 19

7:45 AM Depart for Guayaquil via Panagra.

Prior to the arrival of Mr WALLACE informant furnished a list of the servants at the CARLOS MERCADO house, and their names were searched against our indices with negative results. Their names are retained in the files of instant case.

On April 9, 1943 this office prepared three lists of Axis Nationals on request of the Charge d'Affaires. Those appearing on list number one were suggested for internment, those on list number two were suggested for confinement to their homes. Those on list number three were suggested as requiring surveillance. This list was submitted to President DEL RIO by the Embassy and it was observed that through the Minister of Government the Jefe de Seguridad in Quito as well as the Jefe in Guayaquil were ordered to effect the desired action as set forth in the memorandum. With reference to the execution of the order it may be said that it was fair. The names on the three lists are being submitted for the Bureau's information:

LIST NUMBER ONE

| <u>QUITO</u> | <u>ADDRESS</u> | <u>NATIONALITY</u> |
|----------------------|---|---------------------------------------|
| CARLOS AGOSTINI | Quinta Laura, Roca and 9th of Oct. Streets | Italian |
| PIER ROMOLO ANDRETTA | Olmedo and Flores Sts. | Italian |
| OTTO WILHELM BALDUS | Calacali (near Quito) | German |
| DOMINICO BRUZZONE | not available | Italian |
| HEINZ GUBITZ | Calle Roca # 17 | German |
| KASPAR ROTHENBACK | 9th of Oct. and Veintimilla Sts. | German |
| ENRICO RAZZINI | Calle Carrion (macaroni factory) | Italian |
| HEINZ SCHULTE | El Batan Grande | German |
| DIMITRI KAKABADZE | El Batan rd (house of W. Moeller) | White Russian with German passport |
| LUDWIG WEBER | Riobamba, but now in Quito | German |
| WALTER WOEHLLERMAN | Guapulo, near Quito | German |

QUAYAQUIL

| | | |
|---------------------|--------------------|--------|
| WALTER KURT MANASSE | not available | German |
| HERBERT SAGHS | Rocafuerte no. 644 | German |
| EMILIO STAMER | Chimborazo 1201 | German |

LIST NUMBER TWO

| <u>QUITO</u> | <u>ADDRESS</u> | <u>NATIONALITY</u> |
|----------------------------|---|--------------------|
| TULLIO T. BOSCHETTI | not available | Italian |
| EMILIO BRANDT | Espejo #84 | German |
| OTTO HEINRICH GARSTANJEN | Ave. Santa Maria and calle Puerto de Palos | German |
| JOSE CHLUMSKY | not available | German |
| WALTER DIENER | 12th of Oct. St. | German |
| FRANCO M. DIRANI | Calle Oriente #152 | Italian |
| GEORGE GEBEL | Calle Espejo # 84 | German |
| STEPHAN HARTL | Loncheria Italiana | German |
| ALFRED LINZ | Loncheria Italiana | German |
| JUAN LINZ | Salon Viena | German |
| HECTOR MELLI | not available | Italian |
| FEDERICO GUILLERMO MOELLER | El Batan Rd. | German |
| JUAN FEDERICO PABLO POPPE | Ave. Colon 454 | German |
| ERNESTO AUGUSTO RIDDER | Munoz de Vela | German |
| MAX RUEFF | House of W. Moeller on Batan Rd. or Spanish Legation | German |
| COSIMO STORNAIOLO | Carrera Venezuela 60 | Italian |

LIST TWO continued

| <u>QUAYAQUIL</u> | <u>ADDRESS</u> | <u>NATIONALITY</u> |
|---------------------------|-------------------------|--------------------|
| GACOMO BONZI | 209 Velez St. | Italian |
| FILIPPO COSTA | In Quito during April | Italian |
| HERIBERTO P. EINICKE | Luque and Tungurahua | Chilean-German |
| LUIGI FOSSATI | Almerini Fossati and Co | Italian |
| LEO MESTECHELLIN | Hotel Majestic Salinas | Italian |
| EMILIO PARODI | not available | Italian |
| LUIGI PARODI | " " | Italian |
| ENRICO PARODI | " " | Italian |
| GABRIEL PERNIGOTTI | Pernigotti and Co. | Italian |
| ERICH PETERS | Not available | German |
| FRANCISCO PIANA | " " | Italian |
| TULIO PIERROTTET | Saalman and Co. | Italian |
| MARIO ROCCA | | Italian |
| FERNANDO SHIMANETZ | Olmedo #206 | Hungarian |
| ARTHUR EMIL SINGER | | German |
| NICOLAS BERTULLO | | Italian |
| MARIO MELONI | | Italian |
| EMILIO MISSALE | | Italian |
| WILL PANKRATZ | Calle P. Icaza | German |
| ERNESTO PERNIGOTTI | Pernigotti and Co. | Italian |
| MARIO PRATI | Calle Aguirre 218 | Italian |
| JULIO ADOLFE WICKENHAUSER | | German |
| LUIGI ROTA | Chimborazo 205 | Italian |

LIST NUMBER THREE

| | | |
|---------------------|--------------------------|---------|
| <u>QUITO</u> | | |
| KURT M. GOTTSCHALK | | German |
| PADRE DOMINGO VIANI | Salesian Monastery | Italian |
| <u>QUAYAQUIL</u> | | |
| GIORGIANI ALMERINI | Almerini Fossati and Co. | Italian |
| BENITO AVEGNO | Grak. Cordova 1012 | Italian |
| EZIO CURTONI | | Italian |
| CARLOS GEBERT | | German |
| REINHOLD HILSINGER | | German |
| PABLO LADENSACK | | German |

The enforcement of the order of the Minister of Government was observed to have been excellent. In the majority of cases involving aliens recommended for confinement to their homes it was noted that they were also required to leave the Provinces of Pichincha, Guayas and Imbabura. The surveillances of the individuals listed in list number three, as well as could be determined, was done fairly well by the agents of the Office of Seguridad. During the course of the Vice President's visit in Quito

the Secret Service agents were accompanied most of the time by [] who also accompanied the party to Otavalo on their request. Informant [] was almost constantly with the party. On the party's trip to Quevedo arrangements were made for AUGUSTO GUERRERO, Jefe de Seguridad for Pichincha to accompany the party, due to the fact that [] went to Guayaquil on that day to assist the advance Secret Service agent in making arrangements for the safety of the vice president. IN this connection [] rendered every possible assistance. During the carrying out of the Guayaquil program [] and on most occasions [] were constantly with the vice president, however, staying in the background as much as possible. Adequate police protection was furnished on most occasions by CARLOS M. ROSALES A. Intendente de Policia and CARBO PAREDES, Jefe de Seguridad for Guayas Province. EMILIO STAMER, listed on list number one, remained in Guayaquil through intercession of the Governor FOR THE Local fire department, with which STAMER is connected in a technical capacity. No other exceptions to the Minister of Government's order is known.

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In Guayaquil, the vice president's activities included press conferences, a visit to a rice mill and balsa mill, and a visit to the Hacienda San Miguel, some forty kilometers from Guayaquil on the Quito-Guayaquil Ry. In addition Mr. WALLACE attended a formal reception given by the Governor a session of the Municipal council, and miscellaneous other meetings of various groups and organizations. He arrived in Guayaquil on April 19 at 9:00 Am and departed for Cali, Colombia at 1:20 PM April 20, 1943.

There is enclosed a photostatic copy of a sketch of the house and environs of the temporary residence of Mr WALLACE in Quito.

---CLOSED---

Los Angeles 13, California
February 15, 1944

[redacted] IAL

~~CONFIDENTIAL~~

Director, FBI.

Dear Sir:

RE: RECEPTION AT LOS ANGELES FOR
VICE PRESIDENT HENRY A. WALLACE

Before the arrival of Vice President HENRY A. WALLACE in Los Angeles, California on February 4, 1944, there was considerable discussion as to the political complexion of the reception committee. It was announced that the reception committee would be in the hands of representatives of a group which called itself the "United Citizens Committee." It is believed that the Bureau will be interested in the proceedings that took place during the recent visit of MR. WALLACE to Los Angeles; therefore, the following is being submitted:

Confidential National Defense Informant [redacted] attended the meeting at the Shrine Auditorium on the evening of February 4, 1944. Informant related the features of the evening in some detail and identified many of the persons who took some active part. It was believed that the Bureau would be interested so informant was requested to write a memorandum covering the meeting. The substance of said memorandum is being set forth herein. MR. WALLACE stated in his speech at the Shrine Auditorium at Los Angeles that his visit to Los Angeles was under the auspices of the three labor unions, the CIO, A.F. of L. and Railroad Brotherhoods, and made no mention of a "United Citizens Committee."

Informant stated that the influence of the Communist Party in this affair was evident on all sides. The general makeup of the audience was of that type which are seen at all Communist gatherings, and the applause groups were definitely of that type. Many well-known Communists were in the audience and all Communist publications were most enthusiastic about the meeting, both before and after the meeting.

Informant stated he was told by RALPH CLARE, secretary of the Studio Drivers Local [redacted] A.F. of L., who was one of the delegates from the A.F. of L. who sat on the platform, that when he, CLARE, arrived to take his seat, he looked over those already there and then turned around and left the platform. His reasons, as stated, were that he did not want to sit on the stage with such a gang of Communists; that in all likelihood a picture would be taken and he did not want to appear

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DATE OF REVIEW [redacted]

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FEB 21 1944

DEPARTMENT OF JUSTICE

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ORIGINAL FILE IN 100-3-25-

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Director, FBI
Re: Reception at Los Angeles
for Vice President Henry A. Wallace

2/15/44

in a picture with such known Communists as LEW MICHENER, PHILIP M. CONNELLY, OSCAR FUSS and others. He stated that as far as he was concerned the meeting was controlled by Communists and he declined to take part in it from the stage. He then went around and sat in the audience and stated he came to the conclusion that most of them were of that type.

Informant reported that EDWARD G. ROBINSON, motion picture actor, was master of ceremonies; that he read a prepared introduction stating that the meeting was a win-the-war gathering in honor of the Vice President; that the meeting was basically a unity meeting; that the Vice President was a symbol of such unity in that he was the "champion of the common man"; that for the purpose of winning the war all divisions on a political basis should be eliminated and that all forms of partisan politics should be buried for the duration of the war. His opening remarks took about fifteen minutes.

Informant reported that ROBINSON is a well-known follower of the Communist Party line and has taken part as sponsor and supporter of many Communist front organizations in Hollywood, such as the Hollywood Anti-Nazi League, Hollywood Theatre Alliance, Russian War Relief, Motion Picture Democratic Committee, Hollywood Democratic Committee and others. Informant stated that MR. ROBINSON consistently lends himself as a front for Communists in the Hollywood section. He further stated that the following known Communists with outstanding records in that movement were on the reception committee and sat on the stage at the meeting:

PHILIP M. CONNELLY
OSCAR FUSS
HERBERT BIBERMAN

LIONEL STANDER
DR. LEO BIGELMAN
HERBERT K. SORRELL

Informant stated that following MR. ROBINSON'S introduction a MR. HYATT spoke on the bond campaign, after which a play was produced. It was announced that this skit was sponsored by the Hollywood Democratic Committee, one of the leading Communist front groups in Hollywood.

Informant stated the entire content of the skit was an interpretation of the Communist Party line. The actors, about twenty-five in number, were from a show now running in Hollywood at the Assistants League Playhouse called "Meet the People." This is a play produced by HENRY MEYERS, JAY CORNEY and EDWARD KLISCU, all writers in the Hollywood Studios and on the radio, and are all well-known Communists.

The skit dealt in a satirical manner with all those who opposed those Communist supported projects such as: Anti Poll Tax; National Service

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Director, FBI
Re: Reception at Los Angeles
for Vice President Henry A. Wallace

~~CONFIDENTIAL~~

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Act; Price Subsidies; Teheran Conference. Informant reported that the nature of the presentation was a satire upon the Republican Party, which was portrayed as isolationists and in effect pro-Fascist. The setting was that of the entrance to a sideshow. On banners were displayed caricatures of individuals such as HERBERT HOOVER, THOMAS E. DEWEY; and United States Senators and Congressmen such as NYE, WHEELER, REYNOLDS, FISH and RANKIN; ROBERT MCCORMICK of the Chicago Tribune, and WILLIAM RANDOLPH HEARST. All were caricatured as freaks to be seen for an entrance fee. The book "Under Cover" by ROY CARLSON was mentioned favorably. This book is a "must be read" by all Communists. Russia was classified as the savior of the world. The skit was written by BEN HECHT, a screen writer, and produced by E. I. HARBURG, a producer at Warner Bros. Both follow the Communist Party line and identify themselves with Communist front organizations. Although ROBINSON in his opening remarks called for a cessation of all partisan politics, this skit was a particularly vicious attack on the Republican Party and Anti-New Deal Democrats.

Informant stated that following this playlet MR. ROBINSON introduced the Attorney General of the State of California, ROBERT W. KENNY, who in turn introduced MR. WALLACE. MR. KENNY was State Senator before becoming Attorney General of the State of California. He has been a constant follower of the Communist Party line and one of the party's staunchest defenders in California. He is the national president of the National Lawyers' Guild, a Communist controlled organization which constitutes the legal arm of the Communist Party. KENNY'S activities cover a period of some seven or eight years and have been such that he has been identified as falling in line with each and every switch in the program of the Communist Party. Informant stated KENNY was active in the American League for Peace and Democracy, the Hollywood Anti-Nazi League, the Motion Picture Democratic Party, which supported the American Peace Mobilization, and now he is the leading figure in the Hollywood Democratic Committee, a Communist front which is the successor to the Motion Picture Democratic Committee, neither of which has ever been recognized as a portion of the regular Democratic Party organization.

Informant stated that following his introduction, the Vice President spoke for about an hour on the future world to come after the present war is over. He also stated the Vice President said in his speech that he was there as the guest of organized labor, the CIO, A.F. of L. and Railroad Brotherhoods. He also stated the Vice President's speech was essentially a labor speech and was very well received.

Informant stated there was no doubt whatever that the Communist

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element in the Southern California section had so ~~initiated~~ this reception for the Vice President, acting through the Hollywood Democratic Committee, Labors Committee for Political Action and these so-called "minorities groups" as to enable them to secure complete control of the reception in honor of the Vice President of the United States on February 4, 1944.

Very truly yours,

R. B. HOOD,
SAC.

JGF:MJ

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

VPK:mle
8/1/44

Honorable Henry A. Wallace
The Vice President
Washington, D. C.

My dear Mr. Vice President:

As of possible interest to you, there is transmitted
herewith a copy of a monograph prepared concerning Guatemala.

The information contained therein has been compiled
from data based on reports received from confidential and re-
liable sources.

Sincerely yours,

Enclosure

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HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP1BSKJC
228303

Declassified
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JMC 6-3-73

RECORDED

62-71788-201
FEDERAL BUREAU OF INVESTIGATION
AUG 11 1944
U.S. DEPARTMENT OF JUSTICE

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Mohr _____
Mr. Carson _____
Mr. Hendon _____
Mr. Mumford _____
Mr. Jones _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

COMMUNICATIONS SECTION
AUG 4 4 46 PM '44
AUG - 3 1944
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
AUG 5 12 25 PM '44

GEA:MLP

May 12, 1944

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
(EXCEPT WHERE SHOWN
OTHERWISE)

THE DIRECTOR

RE: VICE PRESIDENT HENRY WALLACE'S TRIP TO
CHINA AND RUSSIA
INFORMATION CONCERNING

~~SECRET~~

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You will recall that considerable publicity was recently given to the contemplated trip of Vice President Henry Wallace to China. Information was received from a confidential source by the Washington Field Division that Andrei A. Gromyko, the Soviet Ambassador, Washington, D. C., advised Vice President Wallace that Moscow was willing to issue visas to anyone whom Wallace desired to take with him. Wallace stated that in so far as he knew John Carter Vincent, Owen Lattimore and John Hazard would accompany him. Wallace indicated that they planned to visit China and Siberia. He further advised Gromyko that he was looking forward to seeing him the following Sunday.

For your information the following data concerning these three individuals has been obtained from the files of the Bureau:

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-9-87

3/1/86
Classified by 3042 RWP/PB
Declassify on: OADR

John Carter Vincent

The files of the Bureau disclose that John Carter Vincent is employed in the Far Eastern Division of the State Department. He resides at 2804 O Street, Washington, D. C., telephone DuPont 7318.

Classified by 581-CSS-3C
Declassify on: OADR 6-1-83
228303

Owen Lattimore

Owen Lattimore was appointed as Political Adviser to Generalissimo Chiang Kai-shek upon the recommendation of President Roosevelt during 1941. Who's Who in America describes Owen Lattimore as an editor and university professor. He was born in Washington, D. C., July 29, 1900, his parents being David and Margaret (Barnes) Lattimore. He attended business school in Cumberland, Maryland, from 1915 to 1919. In 1920 he went to China where he engaged in business for himself. In 1921 he was engaged in newspaper work in Tientsin, China, and from 1922 to 1926 he was in business with Arnhold and Company, Ltd. in Tientsin and Peking, China. Since 1926 he has engaged in travel and writing. He graduated from Harvard University in 1929, and following his graduation did research in Manchuria under the Social Science Research Council until 1930. He was employed by the Harvard-Yenching Institute in Peking during 1931. He worked for the J. S. Guggenheim Memorial Foundation doing field work in Mongolia from 1931 to 1933. In 1934 and 1935 he was Editor-in-Chief of "Pacific Affairs" for the Institute of Pacific Relations. He was subsequently made a Director of the Walter Hines Page School of International Relations at Johns Hopkins University in Baltimore, Maryland.

Mr. Tolson _____
Mr. E.A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Mohr _____
Mr. Carson _____
Mr. Hendon _____
Mr. Mumford _____
Mr. Jones _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

~~SECRET~~

Memorandum for the Director

Lattimore is listed as a member of the American Geographic Society, Royal Central Asian Society, American Oriental Society and as the author of "Desert Road To Turkestan" published in 1929, "High Tartary" published in 1930, "Manchuria, Cradle of Conflict" published in 1932, "The Mongols of Manchuria" published in 1934, "Inner Asian Frontiers of China" published in 1940 and "Mongol Journeys" published in 1941. He is also listed as a contributor to "Atlantic Monthly," "Asia," "National Geographic" magazine and others and is noted in Who's Who as a Medallist of the Philadelphia Geographic Society in 1933.

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The files of the Bureau disclose that Lattimore is the Vice Chairman of the Maryland Civil Liberties Committee.

(100-206854-1)

On February 12, 1941, he appeared on the same program with Frederick V. Field, Secretary of "Amerasia" and Executive Secretary of the American Peace Mobilization, at a rally held in Washington, D. C., sponsored by the American Peace Mobilization. He is also noted as a member of the National Federation of Constitutional Liberties.

(100-1170-19)

During February of 1941, Lattimore and Frederick V. Field sponsored a meeting of the "Washington Committee to Aid China." In testimony before the Dies Committee in executive hearings, Zola Ardene Clear stated that the Washington Committee to Aid China was a Communist Party front organization. She furnished the Dies Committee with a publication called "China Aid News" for March, 1941, describing a meeting sponsored by Field at which Lattimore said:

"This country, although pledged to become the arsenal of democracy has, in fact, been the arsenal of aggression."

Field, at this same meeting, stated that the United States should aid China but should withdraw aid from England and should give full cooperation with the policy of the Soviet Union. It is to be noted that this statement parallels the policy of the American Peace Mobilization at that time, which was prior to the Soviet-German conflict.

Owen Lattimore has been associated with the "Amerasia" publication. It is noted that Frederick Field is the Executive Secretary of this organ. [redacted] advised the Bureau in 1941 that the "strings behind Amerasia were pulled by the Communist Party." He further stated that Owen Lattimore, Frederick V. Field and others were on the editorial board. (S)

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Owen Lattimore and his wife have been prominent in Russian War Relief activities in the vicinity of Baltimore. Mrs. Lattimore is a sponsor of Russian War Relief in Baltimore and is on the Advisory Board of R.W.R., Inc., a Communist infiltrated group. (100-2782-207) Robert M stated that Lattimore attended a Russian War Relief dance in New York, which was also attended by many prominent Communists and Ambassador Litvinoff of the U.S.S.R. Robert M stated that Lattimore "plays around with Communists— and has excellent Washington connections." (61-7566-3299)

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Memorandum for the Director

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Owen Lattimore is described in a book marked strictly confidential found in the Japanese Consulate General at Honolulu, which describes various authorities on Far Eastern problems and indicates whether they are friendly toward Japan. This book discloses that they regard him as one of the recognized authorities on China, and states that his pet theory is that the Outer Regions such as Manchuria, Tibet, et cetera, are really not part of China proper. It further states:

"He is also of the opinion that following the independence of Manchukuo the portion of territories which are China in name only will become an issue in the future. His other contentions conform with Japan's views on China in most respects, and he was useful in explaining Japan's contentions during the Sino-Japanese incident."

(61-10556-728)

Owen Lattimore is noted in Bureau travel control records as frequently travelling to and from the Orient since December 7, 1941. His employment has been listed as Political Adviser to Generalissimo Chiang Kai-shek, as personal liaison between President Roosevelt and China, as head of the Far Eastern Department of O.W.I. and as Pacific Director of O.W.I.

The "Baltimore American" carried an article dated July 20, 1941, which stated that Owen Lattimore, upon his arrival in China to become special adviser to Generalissimo Chiang Kai-shek, brought with him a petition signed by 358 exiled Manchurians appealing for the liberation of Marshal Chiang Hsueh-Liang, former Manchurian and North China War Lord, who had been held prisoner since his forces kidnapped Generalissimo Chiang in 1936. You will recall that during that period there was considerable internal dissension in the Kuo Min Tang, the Chinese Nationalist Party, caused by dissension between the Communist and anti-Communist factions. The files of the Bureau further disclose that Owen Lattimore has been a guest at several receptions held at the Soviet Embassy.

John Newbold Hazzard

John Hazzard is presently in charge of the Soviet Section of the Lend Lease Administration. [He is frequently in communication with members of the Soviet Embassy and the Soviet Government Purchasing Commission. He appears to be very friendly with the Office of the Soviet Military Attache. On December 15, 1941, on the occasion that Louis Rosenstein called at the Soviet Embassy and offered to sell them a copy of the United States military code and the plan of the United States in the event the Panama Canal was destroyed, Colonel Ilia M. Saraev, the Assistant Military Attache, called

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Memorandum for the Director

Hazzard and advised him of this fact. Hazzard in turn notified the Bureau and subsequent investigation disclosed that Rosenstein was mentally unbalanced and actually did not have any of the above information. ~~SECRET~~

(100-52799-2)

Hazzard was born January 5, 1909, at Syracuse, New York. He attended Hill School, Pottstown, Pennsylvania, from 1921 to 1926. He received a Bachelor of Arts degree from Yale University in 1930 and an LL.B. from Harvard University in 1934. He went to Russia in September of 1934, where he studied Soviet law until 1937. Upon his return to the United States he attended Chicago University and received a J.S.D. from that institution March 14, 1939. The subject of his thesis was "Soviet Housing Law." During the period of time he attended Chicago University he was a lecturer on the Soviet form of government and Soviet law, and during 1940 to 1941, he was a lecturer at Columbia University on Soviet Political Institutions.

During the summer of 1941, Hazzard taught a class at Cornell University on Russian-American understanding. A number of individuals who have been identified as Communist Party members lectured during these classes.

(100-3-28-126)

Hazzard was admitted to the New York Bar in 1935. He is the author of "Reforming Soviet Criminal Law" published in the "Journal of Criminal Law in Criminology," July, 1938, "House Cleaning in Soviet Law" published in "American Quarterly on Soviet Union" Volume I, 1938 and "Cleansing Soviet International Law of Anti-Marxist Theories" published in the "American Journal of International Law", 1938. In his books Hazzard has stated: "The essential idea of Marxian legal science is that law is a class tool." He was heralded in an article appearing in "New Masses" as the expert on Soviet law.

During Hazzard's study of Soviet law in Moscow at the Moscow Juridical Institute from 1934 to 1937, he was an agent of the Institute of Current World Affairs. The Institute of Current World Affairs is an organization established allegedly for the purpose of gathering unbiased information on foreign countries and disseminating it to its members. They send young men to foreign countries and finance their studies in order that they might learn the conditions of that country for the benefit of the institute in the United States.

(100-9500-6)

During the period of time Hazzard was in Moscow he was friendly with Herman Rollemann Habicht who was Secretary of the American-Soviet Chamber of Commerce. Habicht is presently employed by the Lend Lease Administration and the subject of an Espionage - R investigation. His wife was arrested by the Soviet Secret Intelligence Service (N.K.V.D.) during 1940 and held in prison until 1941. During this period of time the N.K.V.D. allegedly endeavored to recruit her to act as an agent in the United States. Following the arrest of Gaik B. Ovakamian in New York City, during 1941 for Soviet espionage activities, Mrs. Hazzard was one of the three individuals traded by the Soviet Government for the release of Ovakamian prior to prosecution. ~~SECRET~~ 4

William E. White, an employee of the Westinghouse Electric Company who formerly worked for the N.K.V.D. in Russia during 1938 to 1939, stated that he was ~~SECRET~~

Memorandum for the Director

often questioned about John Hazzard by Abalmazov, the N.K.V.D. agent who was directing his activities. He stated that it was his opinion that one of the reasons he was so often questioned about Hazzard was that the N.K.V.D. did not know what he was doing in Russia. 4

Hazzard was interviewed by Agents of the Bureau in 1943 for such information as he might be able to furnish relative to activities of the N.K.V.D. or O.G.P.U., as it was called prior to 1934. Hazzard stated that from 1934 to 1937 while in Moscow he lived at the home of Professor E. E. Krasnushkin, the head psychiatrist of the N.K.V.D. He stated that he believed the reason he was permitted to live there was so that the N.K.V.D. could observe his activities, however, he was never directly approached or contacted by them and could furnish no information concerning them. He stated that Mrs. Krasnushkin was the individual who told him that the professor was head psychiatrist of the N.K.V.D. (S) 4

During the period of time Hazzard was in the U.S.S.R., from 1934 to 1937, he returned to the United States for two or three months each summer during vacation periods. He again visited the U.S.S.R. in 1939, leaving just before the outbreak of war in September. He was formerly associated with the firm of Baldwin, Todd and Loefferts until July 15, 1941, at which time he was given a leave of absence to accept employment with the Lend Lease Administration.

[The files of the Bureau disclose that John Hazzard attended a meeting of the American Council on Soviet Relations May 25, 1940, addressed by a number of prominent Communists, including Dr. Max Yergan, Thomas L. Harris and Vilhjalmur Stefansson. 7(a) 4 Dr. Gerold Robinson, a friend of Hazzard during the period of time he was at Columbia University, stated that Hazzard was not unfriendly toward the Soviet Union and that he did not see the faults of the Soviet system as readily as others did. Robinson stated that as far as he knew Hazzard was not pro-Communist in so far as the United States was concerned. However, he had a great interest in the theories of the Soviet Government.

Confidential sources of the Washington Field Division advised that John Hazzard is well thought of by the Soviet Embassy. He is frequently invited to attend social functions given by them. He appears to be personally acquainted with former Ambassador Litvinoff and present Ambassador Gromyko. He frequently converses with members of the Embassy staff in the Russian language. (S)

During a highly confidential investigation conducted in Moscow of General Philip R. Faymonville while he was in charge of the Lend Lease Administration in that country, Commander Blakesly, the aid to Admiral Duncan, Naval Attache at the American Embassy in Moscow, stated on May 23, 1943, that just before he departed from Washington, John Hazzard of the Lend Lease Office advised him that they felt the Naval representative in Moscow was not sympathetic to Soviet interests and that the Lend Lease would like to get a "sympathetic person" into the Naval Attache's Office. (S) 4

General Faymonville cleared the majority of Lend Lease matters through John Hazzard when he represented that organization in Moscow. You will recall that (S)

~~SECRET~~

Memorandum for the Director

Faymonville was extremely pro-Soviet, refused to cooperate with the Office of the Naval Attache, American Embassy in Moscow, and was in favor of giving the U.S.S.R. everything and taking nothing. (S) 4

Colonel Faymonville was also the individual who advised William F. Hall not to say anything relative to his employment by the N.K.V.D. in Moscow. (S) 4

ACTION:

In the event additional information comes into the possession of the Bureau regarding the contemplated trip of Vice President Henry Wallace to China and Siberia it will be brought to your attention immediately.

Respectfully,

D. M. Ladd

~~SECRET~~

~~SECRET~~

Mr. Tolson ✓
Mr. E. A. Tamm ✓ b6
Mr. Clegg ✓ b7C
Mr. Coffey ✓
Mr. Glavin ✓
Mr. Ladd ✓
Mr. Nichols ✓
Mr. Rosen ✓
Mr. Tracy ✓
Mr. Acers ✓
Mr. Carson ✓
Mr. Harbo ✓
Mr. Hendon ✓
Mr. Mumford ✓
Mr. Starke ✓
Mr. Quinn Tamm ✓
Tele. Room ✓
Mr. Nease ✓

**Federal Bureau of Investigation
United States Department of Justice**

Washington, D. C.

May 12, 1944

Henry A. Wallace

MEMORANDUM FOR THE DIRECTOR

**RE: VICE PRESIDENT HENRY WALLACE'S TRIP TO
CHINA AND RUSSIA
INFORMATION CONCERNING**

You will recall that considerable publicity was recently given to the contemplated trip of Vice President Henry Wallace to China. Information was received from a confidential source by the Washington Field Division that Andrei A. Gromyko, the Soviet Ambassador, Washington, D. C., advised Vice President Wallace that Moscow was willing to issue visas to anyone whom Wallace desired to take with him. Wallace stated that in so far as he knew John Carter Vincent, Owen Lattimore and John Hazzard would accompany him. Wallace indicated that they planned to visit China and Siberia. He further advised Gromyko that he was looking forward to seeing him the following Sunday.

For your information the following data concerning these three individuals has been obtained from the files of the Bureau:

John Carter Vincent

The files of the Bureau disclose that John Carter Vincent is employed in the Far Eastern Division of the State Department. He resides at 2804 O Street, Washington, D. C., telephone DuPont 7318.

Owen Lattimore

Owen Lattimore was appointed as Political Adviser to Generalissimo Chiang Kai-shek upon the recommendation of President Roosevelt during 1941. Who's Who in America describes Owen Lattimore as an editor and university professor. He was born in Washington, D. C., July 29, 1900, his parents being David and Margaret (Barnes) Lattimore. He attended business school in Cumberland, Maryland, from 1915 to 1919. In 1920 he went to China where he engaged in business for himself. In 1921 he was engaged in newspaper work in Tientsin, China, and from 1922 to 1926 he was in business with Arnhold and Company, Ltd. in Tientsin and Peking, China. Since 1926 he has engaged in travel and writing. He graduated from Harvard University in 1929, and following his graduation did research in Manchuria under the Social Science Research Council until 1930. He was employed by the Harvard-Yenching Institute in Peking during 1931. He worked for the J. S. Guggenheim Memorial Foundation doing field work in Mongolia from 1931 to 1933. In 1934 and 1935 he was Editor-in-Chief of "Pacific Affairs" for the Institute of Pacific Relations. He was subsequently made a Director of the Walter Hines Page School of International Relations at Johns Hopkins University in Baltimore, Maryland.



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159 NOV 5 1964

SECRET

Office Memorandum • UNITED STATES GOVERNMENT

CCM:AKR

TO : THE DIRECTOR

DATE: August 24, 1944

FROM : D. M. Ladd

SUBJECT:

Vice President Henry A. Wallace

~~CONFIDENTIAL~~

Classified by [redacted]
Declassify on: OADR 5-16-83
228303

It is felt that the following will be of interest to you.

In March, 1943, the Buffalo Office advised that while interviewing Lt. Dana Merriman on another matter he advised that from October to November, 1942, he was an Intelligence Officer in the United States Army at Fort Ontario, New York. He stated that during this time he had been assigned to a case involving Irving Caress, who had been reported as being a member of the Communist Party, U.S.A. Merriman stated that following a speech by Vice President Wallace in the Fall of 1942 Caress' wife, Edith Caress, had addressed a letter to Caress at Fort Ontario in which letter she stated: "Vice President Wallace is one of us and will make himself known when the time comes but his name isn't on the records because of his high position." Merriman stated that Caress' wife at that time resided in Brooklyn, New York. (u)

The New York Office was immediately instructed to ascertain whether Edith Caress or Irving Caress were members of the Communist Party, U.S.A., and, if so, what position they held. This investigation was instigated to ascertain the possible significance of the statement by Edith Caress. Considerable investigation since that time has been conducted both in New York City and Miami, Florida, in an effort to locate Edith Caress. It was finally ascertained that she had resided in Miami and during the time she was there she engaged in such activity as to make persons associated with her feel that she was Communistically inclined. She was later identified in New York City. Investigation by the New York Office of recent date has reflected that Mrs. Irving Caress is a member of the 22nd-23rd Assembly District, Kings County New York Communist Party. Confidential Informants state that at one time in 1942 she was offered a position as secretary to Mother Bloor, who was at that time a national functionary of the Communist Party, U.S.A. (u)

Investigation has also reflected that Irving Caress was formerly Secretary of the Communist Party in the 22nd-23rd Assembly District, Kings County. In his Selective Service questionnaire he listed his employer as the Communist Party. Regarding his occupational experience he remarked that he had been General Manager of the Wholesale Book, Inc., which is known to have been closely allied with the Communist Party and its propaganda machines. (u)

The fact that Irving Caress is a member of the United States Army has been called to the attention of G-2.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

~~CONFIDENTIAL~~
RECORDED

13 OCT 26 1944

R-583

EX-10

CONFIDENTIAL

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Mohr
Mr. Carson
Mr. Hendon
Mr. Mumford
Mr. Jones
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

843a

Office Memorandum • UNITED STATES GOVERNMENT

JHD:DMM

TO : D. M. Ladd

FROM : J. C. Strickland

SUBJECT: HENRY AGARD WALLACE

DATE: January 31, 1945

Mr. Tolson _____

Mr. E. A. Tamm _____

Mr. Clegg _____

Mr. Coffey _____

Mr. Glavin _____

Mr. Ladd _____

Mr. Nichols _____

Mr. Rosen _____

Mr. Tracy _____

Mr. Mohr _____

Mr. Carson _____

Mr. Hendon _____

Mr. Mumford _____

Mr. Jones _____

Mr. Quinn Tamm _____

Tele. Room _____

Mr. Nease _____

Miss Beahm _____

Miss Gandy _____

With further reference to the captioned individual, this is to advise that through the technical surveillance on the Maritime Committee in Washington, D. C., it has been learned that an unidentified woman, who stated that she was Mr. Wallace's secretary, attempted to contact Harriet Bouslog, the legislative representative of Harry Bridges' International Longshoremen's and Warehousemen's Union in Washington, D. C., who was a personal appointee of Bridges, and in Mrs. Bouslog's absence advised Frances Jacobsen who was in the office to tell Harriet "a meeting is being held tonight (1-25-45) at 5:00 p.m. at the Carlton Hotel to coordinate our activities in support of Wallace." Subsequently on the same day Miss Fraber, who identified herself as being from Henry Wallace's office and who may be identical with the individual who called Mrs. Bouslog, contacted Hoyt Haddock, the legislative representative for the NMU in Washington, D. C., who has been reported by numerous sources to be a member of the CPA, and advised Haddock that she was working with a group at the Carlton Hotel, coordinating the material for the Senate fight on the Wallace issue. In addition, she invited Haddock to attend the same meeting mentioned above, which invitation he accepted and said that he would attend if possible, and if not, someone from the Maritime Committee would be there.

Through the same source it was learned that Joe Belly, President of the American Communications Association, had received a wire from Philip Murray, President of the CIO, in which Murray instructed that the Presidents of all CIO unions should contact their Senator to confirm the appointment of Henry Wallace and to oppose the George Bill which would divorce the Reconstruction Finance Corporation from the Commerce Department.

ACTION: None. This is being written as an informative memorandum only.

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HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP1GSKJ
228303

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APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP (S) OF Class
DATE 6/16/83

F.B.I. TELETYPE

- Mr. Tolson
- Mr. Clegg
- Mr. Coffey
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

[DECODED COPY]

WASHINGTON FROM CHICAGO 13 25 6-56 P
DIRECTOR ROUTINE
DARK.

Henry A. Wallace

RE COMMUNIST POLITICAL ASSOCIATION, DISTRICT NUMBER 3 CHICAGO FIELD
DIVISION, INTERNAL SECURITY - C. [redacted] ADVISED AR
HAENDLE, TREASURER OF CPA, AND IRWINSTEIN, EXECUTIVE SECRETARY,
FREIHEIT ASSOCIATION, CHICAGO, REPORTED JEWISH COMMUNIST FRONT, HAD
CONFERENCE INSTANT DATE RE CPA STRENGTH. IRWIN STATED THROUGH EDUCATION
OF MASSES THEIR STRENGTH HAS INCREASED AND POWER IS BECOMING MORE AND
MORE RECOGNIZED BY LEGISLATURE. IRWIN STATED THAT THEY SHOULD GET
TWELVE OR FIFTEEN LEADING JEWISH AND RABBI TO SEND IN TELEGRAMS ON
WALLACE SITUATION, ALSO IF THEY COULD GET SEVERAL LEADING PROFESSIONAL
MEN ALSO IT WOULD SHOW PRESSURE WITHIN CHICAGO AREA. HE SAID THAT
TELEGRAMS SHOULD BE SENT DIRECTLY TO COMMITTEE HANDLING THIS INVESTIGATION.

b7D

DRAYTON

Classified by SP-10 SCJ
Declassify on: OADR
5-16-83
228303

RECEIVED

[1-25-45] (X) 4

9:15 PM EWT

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HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENTAL REVIEW COMMITTEE (DRC)
DATE: 4-8-87

RECORDED
&
INDEXED

62-71788-23
FEB 14 1945

3/21/86 3042 RWT/PB
Classified by
Declassify on: OADR
83-1423
-1423

If the intelligence contained in the above message is to be disseminated
outside the Bureau, it is suggested that it be suitably paraphrased in
order to protect the Bureau's coding systems.

~~CONFIDENTIAL~~

RECORDED COPY FILED IN 100-46801-87

TELETYPE

JAN 28 1945

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

WASHINGTON FROM NEW YORK

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1GSK/JO

228303

URGE. CPA DIST NUMBER TWO NY FD INTERNAL SEC-C. CNDI.

ADVISED THAT EMERGENCY MEETING NY COUNTRY COMMITTEE C.P.A. WAS HELD
LATE AFTERNOON SAT JAN TWENTY SEVEN NINETEEN FORTY FIVE. PURPOSE OF
MEETING WAS TO MOBILIZE CLUB LEADERS TO CALL SPECIAL CLUB MEETINGS
OR UTILIZE REGULAR TUESDAY MEETINGS TO INSTRUCT MEMBERS TO

IMMEDIATELY WRITE OR ~~WIRE~~ WIRE THEIR SENATORS DEMANDING THEY
VOTE FOR ~~CONFIRMATION~~ CONFIRMATION OF APPOINTMENT OF HENRY
WALLACE. IT WAS OPINION OF SEVERAL SOURCES FROM WHICH INFORMANT
OBTAINED THIS INFO THAT NATIONAL COMMITTEE C.P.A. HAS DIRECTED
SIMILAR ACTIONS THROUGHOUT ENTIRE U. S.

RECORDED
INDEXED

162-71788-24

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70 FEB 28 1945
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- 65

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

b7D

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cc: Mr. Ladd

Copy bjw

U

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
New York 7, New York

TCK:FAL
100-26603

February 10, 1945

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP188430
228303

RE: ~~X~~ COMMUNIST POLITICAL ASSOCIATION

DISTRICT #2, NEW YORK FIELD DIVISION
Internal Security - C

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF *declassification*
DATE *7-23-77* *RC/*

Dear Sir:

Reference is made to teletype to the Bureau from the New York Field Division dated January 28, 1945.

Enclosed herewith are two copies of report of Confidential National Defense Informant [redacted] dated January 26, 1945 regarding an emergency meeting called by the County Committee of the Communist Political Association to mobilize their forces to bring pressure on member of the U.S. Senate to confirm the appointment of Henry Wallace as Secretary of Commerce.

Very truly yours

E. E. CONROY
SAC

Encl. 2
cc: 61-730

RECORDED & INDEXED
176

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|---------------------------------|
| 62-71988-25 |
| FEDERAL BUREAU OF INVESTIGATION |
| FEB 27 1945 |
| U.S. DEPARTMENT OF JUSTICE |

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ORIGINAL FILED IN 62-71988-25

Henry A. Wallace

Copy bjw

Friday, January 26, 1945

There was an emergency meeting called by the County Committee of the Communist Political Association, to mobilize their forces to bring pressure on members of the U. S. Senate to confirm the appointment of Henry Wallace as Secretary of Commerce. It was decided at this meeting to send directives to all branch and club leaders in New York County, directing them to call special meetings of their members or to get in touch with their membership immediately and urge them to send letters and telegrams to their respective Senators requesting the latter to vote favorably on the nomination of Henry Wallace to the office of Secretary of Commerce. The branch or club executive member was requested to have the members who belong to trade unions and civic organizations use their influence with their co-workers and fellow members to follow the same procedure.

ORIGINAL FILED IN 62-71788-567-

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DATE 8/16/83 BY SP1 GSK/JC
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RECORDED

ENCLOSURE

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| FEDERAL BUREAU OF INVESTIGATION |
| FEB 27 1945 |
| U. S. DEPARTMENT OF JUSTICE |

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2929 BENTON PLACE
WASHINGTON, D. C.



J. Edgar Hoover
Federal Bureau of Investigation
United States Department of Justice
Personal Washington D.C.

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DATE 5/6/83 BY SP1QSR/SC

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FEB 20 1945

Yardstick of Wallace's Fitness:

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1 BCK JB

228303

Already we see signs of a terrific battle between the Liberals and the Conservatives. Such a battle is personified by the actions of the Conservatives in Congress who are doing everything within their power to prevent the confirmation of the nomination of Henry A. Wallace for the position of Secretary of Commerce.

What is there about Wallace to cause some Senators to fight him with such venom? Mr. Wallace's sin is that he has never knuckled under to special interests. He has been more than fair to them when their interest coincided with the public good, but merciless in his fight against them when they were pushing some measure against the general welfare.

Take the Ever Normal Granary which Mr. Wallace fathered. Some of the grain interests did not like this. But it was an essential step to take on behalf of the farmer and the consumer.

The American people are thankful for the extra 100,000,000 bushels of wheat and 450,000,000 bushels of corn which * * * made the difference between crippling hunger and efficient working and fighting for many millions in England and Russia.

In April of 1939 Mr. Wallace was responsible for initiating the trade with England of 600,000 bales of cotton for 90,500 long tons of rubber * * * enough to make 18 million average automobile tires. Both the automobile user and the war effort were served by this far-visioned action by Henry Wallace.

Baruch Repeatedly Lauded Wallace

The Wallace farm program in the thirties almost doubled the farm gross income and almost trebled the farmers net income. There was nothing incompetent about the way Wallace got the cooperation of the farmers, the Congress and the administrators in the executive branch of the government to do a difficult job. Mr. Bernard Baruch has repeatedly said that Mr. Wallace as Secretary of Agriculture did a superb job of administration.

Under the Triple A, which became law in May of 1933, Mr. Wallace had to pick the men who would build an organization which would contact county by county and state by state the majority of the 6 million farmers of the United States. The chief responsibility was placed on the county committees elected by the Farmers themselves. This annoyed a few politicians, but

it was sound administration to decentralize what otherwise would have been an impossible task.

Mr. Wallace, as Secretary of Agriculture, was responsible for the Food Stamp Plan. * * * It was almost as difficult an administrative job to come into effective touch with several hundred thousand distributive outlets as it had been to work out the Triple A in cooperation with several million farmers. But the job was done and it was done efficiently and effectively. Said Mr. J. Frank Grimes, President of the Independent Grocers' Alliance—"My experience with him, when chairman of the important food and grocery conference Committee, has earned my deep respect for his ability and integrity."

He Saved Millions

Take the story of how Mr. Wallace saved \$874,000,000 to the U. S. Treasury, which otherwise would have gone unjustly to enrich certain processors who had done nothing whatever to earn the money. * * * In justice to the processing trades, it should be said that the majority of them recognized the justice of the action taken by the Government under Mr. Wallace's leadership. The courts sustained the Government in 92 per cent of the cases contested. The overwhelming majority of the cases were settled out of court because the justice of the Government's position was so apparent.

Wallace it was who used Presidential backing to force Mr. Jones to give the farmers 4 percent instead of 5 percent money. He it was who insisted on safe storage facilities at reasonable rates. He it was who insisted that the Commodity Credit Corporation be transferred to the Department of Agriculture so that the products could be stored more economically.

The only Vice President who ever did any work in the Executive branch of the government was Mr. Wallace. * * * He was serving as Chairman of both the Board of Economic Warfare and SPAB — later the War Production Board — when Pearl Harbor was struck, and he broke bottle necks which nobody else could have broken except the President.

No wonder the forward looking people of the United States, and the common people of the world, believe in Mr. Wallace.

AS A PUBLIC SERVICE

we present this excerpt from the address of Senator Joseph F. Guffey, given at Erie, Pa., February 17, 1945.

INTERNATIONAL LATEX CORPORATION ★ PLAYTEX PARK ★ DOVER, DELAWARE

PAID ADVERTISEMENT...BUY MORE WAR BONDS

JJP:JAW
100-28627

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP (S) OF
DATE 6/16/83

New York 7, New York
February 24, 1945

Director, FBI

Re: RACON
INTERNAL SECURITY

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP (S) OF
DATE 7-23-78

Dear Sir:

The February 17, 1945, issue of the "PEOPLE'S VOICE", copies of which are submitted to the Bureau separately, contain an article entitled "WE WANT WALLACE GROUP ORGANIZED." The article stated in part that "We Want Wallace Committee of Harlem" was organized last week with offices at 307 Lenox Avenue to support the Senate's confirmation of HENRY WALLACE as Secretary of Commerce. The article stated that the Committee gave a luncheon on Saturday, February 10, 1945, at the Y. M. C. A. to organize a national delegation to visit the members of the Senate and plan a "We Want Wallace" rally at the Golden Gate Ballroom on February 25, 1945. Among the members of the group are Dr. CHANNING H. TOBIAS, Councilman ADAM CLAYTON POWELL, Assemblyman HULAN JACK, Councilmen Benjamin J. Davis and Charles E. Collins, and Assemblymen WILLIAM T. ANDREWS, GUY R. BREWER, H. K. CRAFT, RAY JONES, JAMES EOERT ALLENT, LYNDON HENRY, Reverend B. C. ROBESON, Reverend JOHN H. JOHNSON, MABEL K. STANPERO, ADA E. JACKSON, and MORAN WESTON.

Confidential Informant [redacted] whose identity is known to the Bureau, advised that the above-mentioned Committee and the meeting, which is to be held on February 25, 1945, at the Golden Gate Ballroom in Harlem, were organized and are supported by the Communist Political Association. (A)

This information is being submitted to the Bureau for information purposes and any further information received concerning this Committee or its activities will likewise be submitted.

Very truly yours,

E. E. CONROY,
Special Agent in Charge

~~CONFIDENTIAL~~

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Declassify on: OADR

5-16-83
228303

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Classified by 2042 Pmt/PS

Declassify on: OADR

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/10/00 BY 6032

CLASSIFIED DECISIONS FINALIZED
BY FBI/DOJ NEW COMMITTEE (DRC)
DATE: 4-8-87

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| 62-71788-27 |
| FEDERAL BUREAU OF INVESTIGATION |
| MAR 8 1945 |
| U. S. DEPARTMENT OF JUSTICE |

ORIGINAL COPY FILED IN 100-135-35-450

~~SECRET~~

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b7c

Office Memorandum • UNITED STATES GOVERNMENT

GMA:ka

TO : MR. LADD

DATE: April 3, 1945

FROM : J. C. STRICKLAND

SUBJECT: HENRY AGARD WALLACE
INFORMATION CONCERNING

Classified by 2016/150
Declassify on: OADR 8-16-83
228303

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Hendon
Mr. Mumford
Mr. Jones
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

I thought you would be interested in the following summary of information appearing in the Bureau's files relative to Henry Agard Wallace, the former Vice President of the United States and present Secretary of Commerce. You will recall that Boris Pregel, the head of the Canadian Radium and Uranium Corporation who also controls the Rare Metals Refining Corporation at Mount Kisco, New York, where the majority of the raw materials for the DSM project are obtained, is a close personal friend of Henry Wallace and has visited his residence on numerous occasions. Pregel allegedly translated Wallace's speeches into the Russian language which were used on his recent trip to China and Soviet Asia. Pregel has been closely associated with Wallace's former secretary, Harold Young, and was reported to have sent \$10,000 to the Democratic Committee in Chicago in an effort to have Wallace renominated as Vice President.

Boris Pregel is the subject of considerable investigation by military authorities at the present time in connection with the DSM project. A review of the Bureau's files has disclosed the following information relative to possible Communist or pro-Soviet connections upon the part of Wallace:

Background

According to "Who's Who in America," Henry Agard Wallace was born in Adair County, Iowa, October 7, 1888, the son of Henry C. and May (Brodhead) Wallace. He received a Bachelor of Science Degree from Iowa State College in 1910 and an Honorary Master of Science Degree in Agriculture in 1920. He married Ilo Browne of Indianola, Iowa, May 20, 1914. At the present time he has three children: Henry B. Wallace, Robert B. Wallace, and Jean B. Wallace.

Wallace was made the Associate Editor of his father's publication, "Wallace's Farmer," in 1910 and held that position until 1924, at which time he was named Editor. He edited this magazine until 1929 at which time it was merged with the "Iowa Homestead," and he edited the combined magazines until 1933. Following the election of President Franklin Delano Roosevelt as President of the United States and his inauguration on March 4, 1933, he was named Secretary of Agriculture and was subsequently elected Vice President of the United States in 1940. He has been the author of several books including, "Agricultural Prices" published in 1920; "Corn and Corn Growing," 1923; "Correlation and Machine Calculation," 1924; "America Must Choose," 1934; "Statesmanship and Religion," 1934; "Technology Corporations and General Welfare," 1937; "New Frontiers," 1934; "Whose Constitution," 1936; and "Paths to Plenty," 1938.

It is interesting to note that Wallace's brother-in-law, Dr. Charles Bruggmann, is the Swiss Minister to the United States.

Classified by 3042/107
Declassify on: OADR 10/10/80
ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

62-71788-28

~~SECRET~~

CLASSIFIED DOCUMENTS EVALUATION
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-8-87

~~SECRET~~

Association with Communist Controlled Organizations and Members of the Communist Political Association or Sympathizers

The files of the Bureau disclose that Wallace was a member of the League of American Writers in 1942. He contributed to a booklet published by this organization during that year. It is to be noted that the Interdepartmental Committee and Special Committee on Un-American Activities classified the League of American Writers as a Communist Party front organization.

During the fall of 1942 information was obtained from Lieutenant Dana Mirriman, a former Intelligence officer, United States Army, Fort Ontario, New York, that Edith Caress, the wife of Irving Caress, a member of the Armed Forces and a known member of the Communist Party, wrote her husband a letter in which she stated: "Vice President Wallace is one of us and will make himself known when the time comes, but his name is not on the records because of his high position." Edith Caress has been identified as a member of the 22-23 AD Kings County, New York, Communist Party. Her husband, Irving Caress, according to his Selective Service file, was an organizer for the Communist Party in this same district.

Wallace was listed as one of the prominent people interested in the American Youth Congress, an organization considered to be under Communist domination and control.

During the period of time Wallace was Vice President of the United States, he frequently made speeches before organizations allegedly subject to Communist or Soviet control. On numerous occasions known members of the Communist Political Association appeared on the same platform with him. At a reception held in Los Angeles February 4, 1944, sponsored by the United Citizens Committee, Ralph Clare, the Secretary of the Studio Drivers Local #399, AF of L, was one of the individuals scheduled to sit on the platform with Wallace. When Clare arrived to take his seat and looked over those present, he turned and left the platform. Clare later stated that his reason for doing so was that he did not want to sit with such a "gang of Communists."

An article appeared in the "People's World" for April 24, 1944, stating that Henry Wallace had sent greetings to Paul Robeson on his 46th birthday. Paul Robeson is considered a key figure in Communist activities on both the East and West Coasts of the United States.

On November 17, 1943, information was obtained through a technical surveillance that George Wilson, the head of the Harry Bridges Victory Committee, advised Harry Bridges that he had seen Wallace relative to the Bridges deportation matter. Wilson said that Wallace told him he and President Roosevelt were not speaking at that time. They also discussed Wallace's forthcoming trip to the West Coast.

Oscar R. Lange, who recently returned from a trip to the Soviet Union and the Polish front, claims to be a personal friend of Henry Wallace. On at least one

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occasion he has endeavored to communicate with President Roosevelt relative to the Polish question through Wallace. It is to be noted that Lange is extremely pro-Soviet in his lectures and writings.

On July 7, 1943, Eugene P. Connally, the New York Secretary of the American Labor Party and a key figure in Communist activities in the New York area, advised Ferdinand C. Smith, Secretary of the National Maritime Union, he had received a call from David Karr, then Assistant Chief of the Foreign Language Desk of the Office of War Information, that Harold Young, Executive Assistant to Vice President Wallace, wanted to see a few people at the Hotel Essex House. Joseph Curran, "Blackie" Myers, and Ferdinand Smith were invited. It is to be noted that Harold Young is a known contact of Hoyt Haddock, a reported Communist Party member employed by the National Maritime Union in Washington, D. C. On July 1, 1943, Haddock requested Harold Young to obtain confidential information from the Office of the Attorney General as to why President Roosevelt withdrew his nomination of George Payne, Federal Communications Commission member whose appointment expired July 30, 1943. Young promised Haddock that he would obtain this information. David Karr is the subject of a closed Hatch Act investigation. At the time he was interviewed by the Washington Field Division he stated he had formerly been connected with the Communist Party and had worked particularly on the Communist publication, "The Daily Worker," and during that period of time was in intimate contact with all of the high authorities of the Communist Party.

An Impersonation investigation of David Karr in 1944 was conducted for allegedly representing himself as an employee of Vice President Wallace's office. At the time Karr was interviewed he stated he had been closely associated with Wallace since 1943 and had been with him when all his public appearances were made. Karr stated his expenses were paid by Harold Young, Wallace's Secretary.

Wallace was interviewed to determine whether Karr was an employee of his office and stated he had known David Karr for a year and a half and held him in high regard. He stated he liked David Karr personally and frankly admired him because of his continuous action in behalf of liberalism. However, he was not in his employ or attached to his staff. During the course of this interview Wallace advised Special Agent in Charge E. E. Kuhnel that when the war was over "you would likely see the President step out as Commander-in-Chief and go forward in the cause of liberalism."

The National Maritime Union convention was held in New York City July 6 to 10, inclusive, 1943, and a telegram of greetings from Vice President Wallace was read. The Committee later passed a resolution favoring Wallace's position and condemning that of the then Secretary of Commerce, Jesse Jones. You will recall that Jones and Wallace received considerable notoriety at that time relative to their policy disagreements.

During the course of a conversation on January 20, 1944, between Carl Winter, the Executive Secretary of the Los Angeles County Communist Political Association and a member of the National Committee of the Communist Political Association, and Philip M. Connelly, who at that time was Secretary of the Los Angeles

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Industrial Union Council and until recently was President of the California CIO Council, they discussed the coming visit of then Vice President Henry Wallace to the State of California. Connelly mentioned that the list of sponsors for his speech had been pretty well worked out, and stated "I don't know how we are going to control what he says. He will arrive here at noon and he will talk in the evening, and contact is through this guy who is just a big blabbermouth Texan, Young (probably Harold Young, Secretary to Wallace)." Winter indicated that Harold Young was approachable and had been spoken to before. He stated that it was through working on him (apparently referring to Young) that the previous dangerous situation had been overcome. The balance of this conversation indicated that the Communist Party was anxious to control the policies expressed by the Vice President in his speech, and that they desired to arrange a meeting between Wallace and certain prominent figures from Mexico.

Madlyn Ford Mahny, a dispatcher for the National Maritime Union at the Port of New York, a confidential informant of the Bureau, stated that an NMU membership meeting had been held the night of January 25, 1945. Frederick Nelson "Blackie" Myers addressed the meeting "off the record" and during the course of his remarks stated that he, Joseph Curran, and Ferdinand Smith had had dinner with Wallace about six months ago in New York City. Myers stated that during the course of this dinner they had discussed the possible appointment of Wallace as Secretary of Commerce. Myers stated that they were anxious to see Wallace appointed as Secretary of Commerce so that he would be in a position to allocate funds to the Soviet Union and South American countries, in addition to keeping the factories in the United States operating.

You will recall that "Blackie" Myers is the Vice President of the NMU and a known member of the Waterfront Section of the Communist Party. Ferdinand Smith is an alien Negro who was recently forced to resign from his position as Secretary of the NMU following adverse publicity resulting from his status as an alien campaigning on behalf of a Presidential candidate coupled with union requirements that its officers be citizens of the United States. Smith is a known member of the Waterfront Section of the Communist Party. Joseph Curran is President of the National Maritime Union and is closely associated with known members of the Communist Political Association. During his tenure of office, the NMU has followed the "Communist Party line."

Through a technical surveillance on the Maritime Committee in Washington, D. C., during January, 1945, it was ascertained that an unidentified woman who stated she was Mr. Wallace's secretary, attempted to contact Harriet Bouslog, the Legislative Representative of Harry Bridges' International Longshoremen's and Warehousemen's Union in Washington, D. C. Mrs. Bouslog is a personal appointee of Bridges. In her absence this unidentified woman advised Frances Jacobsen to tell Harriet "a meeting is being held tonight (January 25, 1945) at 5:00 P.M., at the Carlton Hotel to coordinate our activities in support of Wallace." Subsequently that same day, a Miss Fraber, who identified herself as being from Henry Wallace's office and who may be identical with the individual noted above who called Mrs. Bouslog, contacted Hoyt Haddock, the Legislative Representative for the NMU in Washington, D. C., who has been reported by numerous sources to be a member of the

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Communist Political Association and stated she was working with a group at the Carlton Hotel coordinating the material for the Senate fight on the Wallace issue. She also invited Haddock to attend the same meeting mentioned above.

On the evening of January 1, 1945, Vice President Henry A. Wallace was the guest news commentator on the program of Johannes Steel. It is to be noted that Johannes Steel was formerly a close associate of well-known European Communists, and allegedly received the majority of his inside information on European political developments through an underground communications system with Willi Muenzenberg, the Soviet agent in charge of Western Europe prior to his assassination. Johannes Steel has followed "party line" to a considerable degree in his news analyses. His latest radio sponsor is the Electronic Corporation of America. The Electronic Corporation of America is a concern manufacturing electronic devices for the Army and the Navy, the president of which is Samuel J. Novick, a heavy contributor to Communist controlled organizations and a close contact of Arthur Alexandrovich Adams, Soviet espionage agent who has used the Electronic Corporation of America as a business cover for his espionage activities.

During the course of this broadcast, Wallace stated that the United States must think more about killing Germans and less about postwar problems. He stated that the time for boundary talks (apparently referring to the Polish question) was not now. He stated that the duty of the United States was to prepare for full postwar employment. He further stated "the common man must educate and organize himself for political and economic responsibility in action, but even more important, he must go beyond the material aspects of power and ask what are the supreme human values."

Contacts with Negro Communist Controlled Organizations and Individuals

As noted above, Ferdinand C. Smith, a Negro alien, allegedly had dinner with Wallace during the period of time he was Vice President of the United States in the company of Frederick "Blackie" Myers and Joseph Curran.

According to an article which appeared in the "Michigan Chronicle," a Negro newspaper, Wallace was a sponsor for a win-the-war rally held in August, 1942, by the Negro Youth Council for Victory and Democracy in Detroit, Michigan. Wallace sent his personal endorsement of this rally.

An article which appeared in the "People's Voice," a Negro Communist-controlled publication in New York City, on September 2, 1944, carried this headline: "Henry A. Wallace takes 'People's Voice' staff by surprise." The article continued with a statement that Wallace walked into the "People's Voice" offices the previous Monday afternoon, unannounced, for a friendly chat with his close friend Adam Clayton Powell, Jr., a Congressional candidate who was away on vacation at that time. It further remarked that Wallace asked Powell to report to him on what he considered employment conditions in postwar Harlem would be. It is to be noted that Powell was elected to Congress during the recent elections and it is known that he has closely associated with the members of the Communist Political Association.

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Wallace was selected as number two on the Negro honor roll published by the "Chicago Defender," a Negro publication subject to considerable Communist influence, for the year 1943.

Public Appearances and Speeches Before Pro-Communist or Pro-Soviet Groups

Volume No. 7 of the Dies Committee Reports, page 4483, states that Wallace gave the opening speech before the International Congress of American Democracy as well as the Consumers' National Federation in 1939. It is to be noted that both of these groups are considered as subject to Communist control.

On May 8, 1942, in New York City, he addressed the second annual congress of the Free World Association. This speech has been entitled, "The Price of Free World Victory," and was later printed and published by the Office of War Information and disseminated by Government frank. During the course of this speech, Wallace made the statement: "Some have spoken of the 'American century.' I say that the century on which we are entering, the century which will come out of this war, can and must be the century of the common man." This phrase, "the century of the common man," and excerpts from Wallace's speech have received considerable publicity throughout the Communist-controlled press.

During this same speech Wallace referred to the various wars which have been fought during the course of history as revolutions, stating: "The march of freedom of the past 150 years has been a long drawn-out people's revolution." He further stated that the people's revolution aims at peace and not at violence and the people at the present time are on the march toward even fuller freedom than the most fortunate peoples of the earth have hitherto enjoyed. He stated that the people's revolution of the past 150 years has not been completed either here in the United States or in any other nation in the world and that this revolution cannot stop until freedom from want has actually been attained. Wallace further stated: "The people's revolution is on the march and the devil and all his angels cannot prevail against it."

The above-mentioned speech was the theme of a dinner sponsored by the Joint Anti-Fascist Refugee Committee at the Astor Hotel on October 27, 1942, sponsored almost in its entirety by known Communists. This dinner was part of a drive to free anti-Fascist fighters held in Vichy, France, who had served in the Loyalist Forces during the Spanish Civil War.

On November 8, 1942, Wallace was the principal speaker before a mass meeting held in Madison Square Garden by the Congress of American-Soviet Friendship. His address was entitled, "Tribute to Russia." Wallace praised the Soviet Union, stating if Russia can continue the progress she has made in the last twenty years, in the next twenty she will surpass the United States. This speech was later printed and a foreword by Corliss Lamont added and it was sold in all Communist bookstores.

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Wallace has frequently appeared as a speaker before pro-Soviet and allegedly Communist-controlled organizations, such as his speech "Salute to Our Russian Ally" given before the Congress of American-Soviet Friendship in New York City during the latter part of November, 1942; his speech at the opening of the American-Soviet War Exhibit in New York City January 3, 1943; his speech before the mass meeting held by the National Council of American-Soviet Friendship, Incorporated, in New York City in November, 1943; and his speech before the New York celebration of the 26th anniversary of the October Red Revolution in 1944. He has frequently sent greetings to meetings of this nature which he was unable to attend personally.

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[redacted] who was formerly a confidential informant of the Bureau, has stated that David Karr, mentioned above as a former employee of the "Daily Worker," and a frequent contact of high functionaries of the Communist Party, wrote these speeches given by Wallace, particularly during the years 1943 and 1944.

On May 18, 1943, at an American Labor Party dinner held at the Hotel Commodore, New York City, according to an article which appeared in the "Daily Worker," Wallace clashed with David Dubinsky of the International Ladies Garment Workers Union. This article stated that after Wallace gave his speech Dubinsky followed him with an extremely anti-Soviet talk. When Dubinsky sat down, Wallace told him, "Dave, I believe Russia serves a good cause."

According to an article which appeared in the Washington Post for September 23, 1944, in a speech before the National Citizens Political Action Committee given September 22, Wallace stated that the postwar era needs a liberal program. He said everything in the postwar world depends upon what happens to liberal forces here in the United States and if liberalism goes under, there will be grave danger of more bloodshed. He further stated that the Democratic Party must make itself a truly liberal party or it will be discarded.

In a speech given in Seattle in February, 1944, Wallace reiterated his remarks set forth above relative to the people's revolution now in effect taking place. In addition to the four duties of the people's revolution he previously set forth, he enumerated the three outstanding peacetime responsibilities as he saw them. They are: (1) The responsibility for enlightenment of the people; (2) The responsibility for mobilizing peacetime production for full employment; and (3) The responsibility for planning world cooperation.

The above-mentioned speech was later interpreted by a pro-Communist speaker as stating in effect, "We wish to bring the revolution peacefully and without bloodshed, if possible, but of one thing be assured, the revolution is coming with or without bloodshed." Wallace's remarks were interpreted as in effect stating that the lands of the world were red with the blood of the people's revolution and that the revolution was on the march and with the end of this revolution, apparently referring to the present war, the century of the common man would begin.

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Wallace has written several articles which appeared in the "Free World," the publication of the Free World Association, a group in New York City subject to considerable Communist influence. In March, 1942, he wrote "Economic Basis for Inter-American Relations." In August, 1943, he wrote an article entitled, "America Tomorrow." In June, 1942, he wrote an article entitled, "The Price of Free World Victory," which actually was a transcript of his speech before the second annual congress of the Free World Association. This speech was later published in the Carpatho-Russian, Croatian, Czech, Finnish, Greek, Hungarian, Italian, Jewish, Polish, Rumanian, Russian, Serbian, Slovak, Spanish, and Ukrainian languages by the International Workers Order and received wide distribution.

On June 10, 1943, at a meeting of the Victory Youth Club Branch of the Young Communist League in Minneapolis, Minnesota, cards were passed out to those present to be used in corresponding with persons in the USSR. Each card bore printed statements by Vice President Wallace and Joseph E. Davies, the former Ambassador to the Soviet Union, indicating their friendship toward Russia.

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Trip to South America and Contacts with South American Communists

Wallace was named a special emissary of the President of the United States to visit the majority of South and Latin American countries for good will purposes. On this trip he was accompanied by Lawrence Duggan, formerly of the State Department, and Hector Lazo, Assistant Director of the Board of Economic Warfare. While in Peru he granted a press conference to representatives of the United States and Peruvian press at which Special Agent George L. Keller was present. One reporter reminded Wallace of a statement he had made at a Pan-American press conference to the effect that the United States Government was thankful for the Communist intervention in the present war and asked whether the United States placed Communism

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on a basis with Pan-Americanism. Wallace answered: "At the present time Pan-Americanism is not sufficient; Communism is necessary to effect a world peace."

Lawrence Duggan, one of the individuals who accompanied Wallace on this trip, was formerly chief of the Latin American Division of the United States State Department. Whittaker Chambers, a former member of the Soviet Secret Intelligence Service (NKVD), who was connected with the Communist Government underground in Washington, D. C., stated that Duggan, although not a party member, was believed to be connected with the NKVD. He stated that Hedda Gumperz, an Austrian Communist alien and her husband, Paul Massing, who were both members of the Russian terror apparatus of the OGPU, as the NKVD was termed prior to 1934, were direct contacts of Duggan. Duggan was on the mailing list of the United American-Spanish Aid Committee and his name and address were found in the possession of Joris Ivens, an active Communist Party member from Berlin, Holland, and Moscow, who is a suspected member of the Soviet Secret Intelligence Service (NKVD). Duggan is a friend of Vincente Lombardo Toledano, the left wing Mexican labor leader, and has associated with Enrique de Lozada, a South American Communist.

Information was obtained through [redacted] that Enrique de Lozada, a Bolivian Communist, through his friendship with Wallace, obtained a position at Williams College as a professor of Spanish. He later left Williams College and came to Washington, D. C., where he was employed in Wallace's office. De Lozada induced Wallace to assist him in bringing to the United States the Bolivian Communist Juan Arze. During 1940, Arze was the Communist Presidential candidate in Bolivia. De Lozada is further reported to have brought Augustus Cespedes, Bolivian newspaperman who formerly owned the Communist paper in La Paz known as "La Colla," to the United States. Cespedes at one time conducted a campaign in his newspaper against the United States relative to concessions obtained from the Bolivian Government by the Standard Oil Company. De Lozada allegedly convinced Wallace that Cespedes did not understand the United States and this was the reason for the above-mentioned attack. Wallace reportedly sponsored Cespedes' trip to the United States.

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Following Cespedes' arrival in the United States, Wallace allegedly induced the "Radio-Keith-Orpheum Company" to pay Cespedes \$600 a month because of his possession of material for a book relating to the working conditions of the Bolivian miners. Through Wallace's intercession, the Board of Economic Warfare allegedly reimbursed Radio-Keith-Orpheum for these payments.

Carlos Contreras Labarca, a Chilean Communist who visited the United States in May, 1943, was allegedly friendly with Wallace and was granted an audience by him. At the time Labarca entered the United States he admitted that he was head of the Chilean Communist Party.

Trip to China and Soviet Asia

In May, 1944, Wallace was sent to China and Soviet Asia on a special mission for the President. Press releases at that time indicated that the primary purpose of this visit was to induce Chiang Kai-shek to cooperate with the Chinese

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Communists. Wallace was accompanied on this trip by John Carter Vincent, an employee of the Far Eastern Division of the State Department, Owen Lattimore, and John Newbold Hazzard.

Owen Lattimore was appointed Political Advisor to Generalissimo Chiang Kai-shek in 1941 upon the recommendation of President Roosevelt. He is the Vice Chairman of the Maryland Civil Liberties Committee and on February 12, 1941, appeared on the same program with Frederick V. Field, Executive Secretary of the American Peace Mobilization at a rally held in Washington, D. C., sponsored by that group. It is to be noted that the American Peace Mobilization was one of the organizations designated as subversive by the Special War Policies Unit of the Department of Justice. At this meeting Field advocated that the United States aid China and cooperate with the policy of the Soviet Union by withdrawing all aid to England. It is to be noted that this rally was held prior to the German invasion of the USSR in June, 1941. Lattimore has been closely associated with pro-Communist and Soviet groups on several occasions.

John Newbold Hazzard, presently in charge of the Soviet Section of the Foreign Economic Administration, is very friendly with the Soviet Military Attache in Washington, D. C. Hazzard resided in the Soviet Union from September, 1934, to 1937, allegedly studying Soviet law. While there, he was friendly with Herman Habicht, an unofficial employee of the Soviet Intourist Organization, whose wife was later one of the three individuals exchanged for the Soviet agent, Gaik B. Ovakimian. John White, who cooperated with the NKVD while residing in the Soviet Union, stated he was frequently questioned by them relative to Hazzard. Hazzard on one occasion advised Agents of the Bureau that while in Moscow he lived at the home of Professor E. E. Krasnuskina, a psychiatrist for the NKVD.

ACTION:

The above data are for your information.

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Office Memorandum • UNITED STATES GOVERNMENT

GEA:FVB

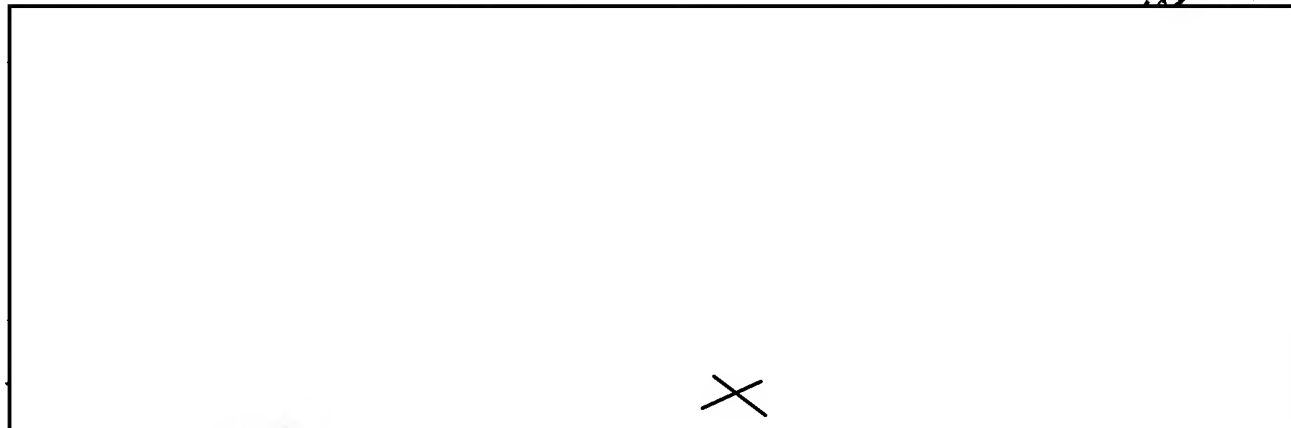
TO : Mr. D. M. Ladd
FROM : J. C. Strickland
SUBJECT: HENRY AGARD WALLACE
INFORMATION CONCERNING

DATE: July 28, 1945

~~TVIN 300~~

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Gandy

Reference is made to my memorandum dated April 3, 1945, captioned as above, setting forth a summary of the information appearing in Bureau files relative to Wallace. Another reference to Wallace which was previously unindexed has been found and is set forth for your information.



~~HARVEY~~

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Classified by 3042 PWT/PS
Declassify on: OADR
1-12-87

Classified by 2010 ASK/CO
Declassify on: OADR
S-16-83
228303

~~TVIN 300~~

Classified by 2040
Exempt from Category 2
Date of Declassification Indefinite
JMC

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-8-87

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

RECORDED

62-71788-29
30 JUL 1945

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~~CONFIDENTIAL~~

Los Angeles 13, California
October 10, 1945

100-18355

~~APPROPRIATE AGENCIES
AND FIELD OFFICES ADVISED BY SLIP(S) OF DATE~~

~~CONFIDENTIAL~~
~~APPROPRIATE AGENCIES
AND FIELD OFFICES ADVISED BY SLIP(S) OF DATE~~

Director, FBI

Classified by ~~DD1850~~ Re: INDEPENDENT CITIZEN'S COMMITTEE
Declassify on: ~~OADR~~ OF THE ARTS, SCIENCES AND PROFESSIONS
INTERNAL SECURITY - C

CLASSIFIED BY: ~~SP-6 BJA/VA~~
DECLASSIFY ON: ~~OADR~~

Dear Sir:

On September 24, 1945, Confidential National Defense Informant [redacted] advised the Los Angeles Office that a person believed to be WALDO SALT, screen writer and Communist now employed with the Office of War Information in New York City, contacted JOHN HOWARD LAWSON, leader of the Communists in the motion picture industry in Los Angeles. He advised LAWSON that he was calling at the request of HANNAH DORNER, who is an employee of the ICC in New York City, and told LAWSON that the ICC had a chance to get HENRY WALLACE'S book entitled "Sixty Million Jobs" and had been conducting negotiations with WALLACE for the rights to make a film of this book. He wanted LAWSON to bring it up at the council meeting of the Hollywood Independent Citizen's Committee of the Arts, Sciences and Professions which was being held that night in Hollywood. He told LAWSON that the film would probably be made in New York for three reasons: (1) WALLACE would be available to assist in the preparation of the script. (2) They have only three months or so to complete same. (3) The most efficient and the best documentary men are in New York.

He also told LAWSON that the help expected from the Hollywood Independent Citizen's Committee would be chiefly financial. He said that WALLACE had given his enthusiastic approval to this idea on that date and he said that the film would be definitely under the auspices of the ICC. He inferred it would be a documentary picture.

Very truly yours,

ALL INFORMATION CONTAINED
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WHERE SHOWN OTHERWISE
R. B. HOOD

SAC

100-18355

JRV:CMC

cc: New York

100-18862

100-21198

RECORDED & INDEXED

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~~CONFIDENTIAL~~

62-71788-30
FEDERAL BUREAU OF INVESTIGATION
OCT 22 1945
U.S. DEPT. OF JUSTICE

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

ORIGINAL COPY FILED IN 100-338892-4

Office of the Legal Attache
Buenos Aires, Argentina
February 18, 1946

~~SECRET-AIR COURIER~~

we
m
Director, FBI

Re: COMMUNIST PROPAGANDA ACTIVITIES
SECURITY MATTER (C)

Dear Sir:

From time to time the Communist press in Argentina concerns itself with the activities of high North American officials who are in public office. Although information which appears in the press concerning the officials may be of a critical nature, it is noted that Communist newspapers in Argentina always make favorable comments concerning Mr. HENRY A. WALLACE, Secretary of Commerce of the President's cabinet.

In this connection the attached newspaper clipping is being forwarded to the Bureau as of possible interest. This item was taken from the January 24th issue of the Communist daily newspaper "La Hora" in Buenos Aires and was written by LEONIDAS LABANCA who is stated in the article to be the New York correspondent of "La Hora". The newspaper article is entitled "H. Wallace Continues the Tradition of Roosevelt."

Very truly yours,

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP10850
228303

James P. Joice, Jr.
Legal Attache

WTB/mg
100-0

(Enclosure)

Enclosure
detached for
translation
MAY 10 1946

ENCLOSURE
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&
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EX-22

62-71788-31

JAN 6 1946

RECORDED

RECORDED COPY FILED IN 64-200-201-166

escribe Leónidas Lañanca

H. Wallace Sigue la Tradición de Roosevelt

—corresponsal en Nueva York

NUEVA YORK, enero 23. — Henry Wallace sigue la tradición de Roosevelt. Esto es, Wallace confía en el pueblo. El actual secretario de comercio de los Estados Unidos tiene, como uno de sus objetivos principales, el de la obtención de trabajo para 60 millones de ciudadanos de este país. Y para que ese objetivo sea alcanzado, no encuentra nada mejor que desde su puesto en el gabinete del presidente Truman, dirigirse al pueblo para decirle que es el pueblo mismo el que, con su movilización, ha de dar los pasos necesarios para que ese gobierno cumpla la promesa que había hecho Roosevelt, y que seguramente habría cumplido, si viviera. Durante un discurso pronunciado en el



WALLACE

corazón de la región agrícola por excelencia de este país, en la ciudad de Saint Paul, el secretario Wallace manifestó: "Necesitamos que los representantes elegidos por nosotros hagan una declaración sobre la política a seguirse en el orden federal. Todos ustedes saben dónde reposa la responsabilidad final. Esa responsabilidad está en cada circuito electoral, en cada distrito electoral del país." En otras palabras: el pueblo tiene en sus manos el instrumento del voto, que, bien ejercitado, puede darle lo que los gobernantes le niegan.

Wallace ha llamado a los agricultores en apoyo de la Ley de Empleo Total prometida por Roosevelt.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP16SIC/JC

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Logo después de la muerte de Roosevelt, empezaron a aparecer los "revisionistas", los que hablan de "empleo para muchos" o de "todos los empleos posibles", o sea, para decirlo claramente, los encapuchados, enemigos de que el pueblo tenga trabajo. Wallace les dijo a los agricultores que la Ley de Trabajo para todos significará que los obreros podrán ir al mercado a llenar sus canastas con mercaderías, lo que a su vez significará prosperidad para los agricultores, que habrán de ser los principales productores de esas mercaderías. "La amenaza de la desocupación en masa, de carácter crónico —agregó— es tan peligrosa como la amenaza de guerra", y sostuvo que el país no puede permitirse el lujo de otro ciclo de prosperidad y depresión, con lo que, seguramente, se refería a los tiempos de Hoover, en que la gran masa del pueblo debió recurrir a las Hoovervilles, o sea, las Villa Desocupación, para no sucumbir definitivamente.

Según Wallace, la única posibilidad de impedir que vuelva a repetirse el caos de 1930, es presionar sobre los congresales y exigirles acción. Pues, según sus propias palabras, para eso fueron elegidos, para que se hicieran las cosas que el pueblo quiere que se hagan y que no podrían hacerse a título individual o por intermedio de las organizaciones de los agricultores.

Wallace sostiene que debe redactarse una Carta Económica Nacional, en la que debe reconocerse a todo el pueblo "iguales derechos y oportunidades para ganar un salario que permita una vida decente"; que el disponer de esa carta será una simple cuestión de sentido común, y que el que se la tenga no es sino "la voluntad de la gran mayoría del pueblo".

El secretario de comercio de los Estados Unidos indudablemente no tenía sus pensamientos en medidas demagógicas, asegurando aguinaldos o concediendo participación en ganancias, pero, sin quererlo, salió al encuentro de ese tipo de "panaceas" preelectorales cuando manifestó que el problema de asegurar trabajo para todos, con salarios que permitan llevar una vida decente, no habrá de resolverse con uno o dos decretos, sino que "será necesaria toda una serie de medidas y decisiones políticas", para crear ese trabajo, asegurar los buenos salarios y hacer que esas condiciones subsistan, sin la contraparte del aumento del costo de la vida, que caracteriza toda improvisación en este terreno.

LEONIDAS LABANCA

TRANSLATION FROM THE SPANISH

Leonidas Lablanca

H. WALLACE CONTINUES THE TRADITION OF ROOSEVELT

- New York Correspondent -

(From: "LA HORA" of Buenos Aires, Argentina, January 22, 1946)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP10RSKJ0

228303

NEW YORK, January 23. - Henry Wallace continues the tradition of Roosevelt. That is, Wallace confides in the people. The present Secretary of Commerce of the United States has, as one of his principal objectives, that of obtaining work for 60 million citizens of this country. And in order that this objective may be achieved he finds no better way than his position in President Truman's Cabinet in order to address the people themselves telling them that it is the people themselves, with their mobilization, who must take the necessary steps in order that the Government fulfill the promise made by President Roosevelt - a promise which surely would have been fulfilled if he had lived. During an address given in the heart of the Agricultural region par excellence of this country, the City of St. Paul, Secretary Wallace declared: "It is imperative that the representatives elected by us make a statement on their policy to be followed in the Federal service ... All of you know where the final responsibility rests. That responsibility is in each electoral circuit, in each electoral district of the country." In other words: the people have the instrument of the ballot in their hands, which wisely used, can give them whatever their leaders deny them.

Wallace has urged the Farmers to support the Full Employment Law promised them by Roosevelt. Shortly after the death of Roosevelt the "Revisionists" began to appear - those who spoke of "employment for many" or of "all the employment possible" - or clearly speaking, the "hooded ones", enemies of the working people. Wallace told the Farmers that the Employment Law for everyone will mean that the workers will be able to go to market to fill their shopping baskets with commodities. In turn, this will mean prosperity for the Farmers who will be the principal producers of these commodities. "The threat of mass unemployment of a cronic nature - he added - is as great a danger as the threat of war is"; he maintained that the country cannot allow the extravagance of another cycle of prosperity and depression; he undoubtedly was referring to the days of Hoover when the great mass of the people had to resort to the "Hoover-villes", in other words the Unemployment Villas in order not to be completely overcome by the depression.

According to Wallace, the sole possibility of preventing a repetition of the chaos of 1930 is to exert pressure on the Representatives and demand action of them. For that matter, according to his own words, they were elected in order to do the things the people desire them to do and which they could not do themselves by individual title or by intermedium of the Farmers' organizations.

Wallace maintains that a National Economic Charter should be drawn up which would endow all the people with "equal right and opportunities for earning a salary that would allow them a decent life"; that the preparation of that Charter will be a simple question of common sense and that it would represent "the will of the great majority of the people" alone.

The Secretary of Commerce of the United States undoubtedly does not have his thoughts in demagogical measures, in securings gifts or participating in any profits, but without desiring it, he encountered this type of pre-electoral "pancreas" when he declared that the problem of assuring work for everyone with salaries which permit the establishment of a decent life will not be able to be solved with one or two decrees, but that a "whole series of measures and political decisions will be necessary" in order to create that work, to assure good salaries and to make these conditions exist, without the counterpart of an increase in living costs which characterizes every change in this country.

LEONIDAS LABLANCA.

Translated by:

William J. Nolan

July 8, 1946

VDE

OFFICE OF THE LEGAL ATTACHE

EMBASSY OF THE
UNITED STATES OF AMERICA

HABANA, CUBA

April 11, 1946

Director, FBI

RE: EDITORIAL PAGINAS, S. A.,
aka, Libreria Paginas
SECURITY MATTER C & R

Dear Sir:

Reference is made to the report of Special Agent C. Lawrence Rice dated April 11, 1946, at Habana, Cuba, in the above-entitled matter, wherein information is set out concerning the advertisements featured by captioned company concerning the book "El Engaño de Las Razas" (The Deceit of the Races), written by FERNANDO ORTIZ, President of the INSTITUTO DE INTERCAMBIO CULTURAL CUBANO-SOVIETICO (CUBAN-SOVIET INSTITUTE OF CULTURAL RELATIONS).

For the Bureau's further information, the Communist daily newspaper "Hoy" has in recent weeks carried advertisements for EDITORIAL PAGINAS, S. A., featuring this book, and also carrying in the advertisement an endorsement of the book by HENRY WALLACE, Secretary of Commerce of the United States. The endorsement is in effect as follows: "FERNANDO ORTIZ, in his book, does away with the racial theories that the Nazi-Fascists have sustained. It is published at an opportune time since despite the defeat of Nazi militarism these theories still infest many parts of the world." Beneath this statement appears, what purports to be, the signature of HENRY A. WALLACE, and below that, Secretary of Commerce of the United States.

Likewise in the magazine, "Cuba y La U.R.S.S.," published by the CUBAN-SOVIET INSTITUTE OF CULTURAL RELATIONS, WALLACE's endorsement is also mentioned in ads carried by EDITORIAL PAGINAS, S. A. for the sale of this book, however, no identification of WALLACE as an official of the U. S. Government is made.

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1 QSC/STC
228303

ELR:MD
31-19

Very truly yours

RECORDED

LOANE J. RANDALL
LA

62-71788-31X

FBI
71 APR 22 1946

INITIALS ON ORIGINAL

59 MAY 13 1946

ORIGINAL FILED IN 100-336305-6

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE ATTORNEY GENERAL

DATE: April 22, 1946

FROM : Director, FBI

SUBJECT:

I have been advised by my San Francisco office that Henry Wallace, Secretary of Commerce, is scheduled to make an address at San Francisco on the night of April 22, 1946. On April 19, 1946, Mr. Al Ostrow, a reporter for the San Francisco News, telephonically contacted the Special Agent in Charge of the San Francisco office and stated that his office had received a number of telephone calls stating that the FBI was checking on the sponsors of the Wallace meeting. The Special Agent in Charge of the San Francisco office emphatically stated to Mr. Ostrow that there was absolutely no truth in these statements.

I wanted to advise you of this situation and of the fact that this Bureau is not conducting any investigation of Henry Wallace, of his meeting in San Francisco, or of any of the persons sponsoring this meeting. Because of Mr. Wallace's propensity for believing such stories about the FBI, I wanted you to know of this situation in order that if Mr. Wallace speaks to you, you will know that there is no truth in these stories.

ALL INFORMATION CONTAINED

KEEP IN F. B. I. FILES

HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY EX-66

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&
INDEXED62-71788-32
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MAY 1 1946OFFICE OF THE
RECEIVED

APR 23 1946

ATTORNEY GENERAL

70 MAY 20 1946

Henry A. Wallace

Henry

W. J. Wallace

FROM
THE ATTORNEY GENERAL

TO

Official indicated below by check mark

1
Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen

MEMORANDUM

Solicitor General
Assistant to the Attorney General
Assistant Attorney General, Anti-Trust
Assistant Attorney General, Tax
Assistant Attorney General, Claims
 Alien Enemy Control Section
 Alien Property Section
Assistant Attorney General, Lands
Assistant Attorney General, Criminal
Assistant Solicitor General
Director, FBI
Director of Prisons
Commissioner, Immigration and Naturalization . .
 Liaison Officer, Immigration and Naturalization
Administrative Assistant
 Division of Accounts
 Division of Communications and Records
 Division of Supplies
Pardon Attorney
Parole Board
Board of Immigration Appeals
Librarian
Director of Public Information

Mr. Donald Cook
Mr. Morrison
Mr. Ford
Mrs. Stewart
Miss O'Donnell
Miss McCarron
Miss Healy
Mrs. Kroll
Miss Adams
Miss Doyle
Miss Moore
Miss Dennis

Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Director
4-26-46
Thomas

Federal Bureau of Investigation

United States Department of Justice

Los Angeles, California

May 24, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

EXCEPT WHERE SHOWN
OTHERWISE

APPROPRIATE AGENCIES

AND FIELD OFFICES

ADVISED BY ROUTING

SLIP OF

DATE

DIRECTOR, FBI

RE: HENRY A. WALLACE
INFORMATION CONCERNING

Dear Sir:

On [redacted] advised that he was present during a conference between NEMMY SPARKS, Los Angeles County CP President, and SID BURKE, Los Angeles Editor of the Daily People's World, concerning an interview which the latter had attended as a representative of the Press, with HENRY A. WALLACE, Secretary of Commerce, while WALLACE was in Los Angeles to address a Jackson Day gathering of Southern California Democrats. &

BURKE explained that he had obtained a copy of WALLACE'S address and was preparing a news article concerning the speech for publication in the Daily People's World. He mentioned that during the interview with the Press, WALLACE expressed a "progressive" attitude on a number of issues, including a National FEPC Act; abolition of poll tax laws (both State and Federal); and a loan to the Soviet Union, if other countries, including Great Britain, were granted loans. &

BURKE informed SPARKS that WALLACE expressed himself as being opposed to the establishment of a third political party within the United States at the present time, and, further, praised President TRUMAN'S leadership, commenting that "TRUMAN has been clear-cut in the paths and principles of FDR". In commenting on some of President TRUMAN'S appointments, WALLACE stated that "Every man has his own circle of friends and FDR had a number of Old Deal friends whom he likewise appointed to office". WALLACE also informed the Press that he had supported a third political party when LAFOLETTE ran for the Presidency. He explained that he had done so because he did not feel that the Democratic Party was realistic enough in its approach to political issues involved in that campaign. &

SPARKS inquired concerning any comments which WALLACE may have made concerning the war question, whereupon BURKE responded that no comment had been made on this subject, although WALLACE had expressed himself as being in favor of the United Nations Organization, which he described



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150 NOV 5 1964

52 JUL 1 1946

RECORDED
INDEXED
64

62-71788-33

EX-33

CONFIDENTIAL

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

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b7D

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: 4-8-87

83-1420

Classified by 36186
Declassify on: OADR
Date: 3/24/87

~~CONFIDENTIAL~~

b6
b7c

DIRECTOR

May 24, 1946

RE: HENRY A. WALLACE
INFORMATION CONCERNING

as being "Democracy at work on an International scale". According to BURKE WALLACE stated that "People are alike when you get past language barriers". *Q*

BURKE explained further that WALLACE was questioned concerning his attitude toward Franco Spain. With regard to this question WALLACE stated that he could not speak for the State Department but that his sympathies were well known as he is a close friend of HENRY G. MORGENTHAU, former Secretary of the Treasury, and shares MORGENTHAU'S expressions concerning the Franco regime in Spain. *Q*

SPARKS advised BURKE to prepare a factual news article for publication in the Daily People's World concerning this interview, mentioning WALLACE'S opposition to a third party. In this regard the CP Press should not, according to SPARKS, take any issue with WALLACE, however, issue should be made in the CP Press of WALLACE'S support of President TRUMAN. SPARKS declared that the CP Press must take direct issue with WALLACE concerning TRUMAN'S appointments and policies and endeavor to force WALLACE to abandon this position. He stated that any news article published by the Communist Press should relate WALLACE'S position politically without making that position the same position as the Communist Party political program. He further explained to BURKE that the Communist Party must fight WALLACE'S efforts to quiet the people concerning TRUMAN'S abandonment of ROOSEVELT'S New Deal policies, and instead endeavor to induce WALLACE to make no comment concerning the TRUMAN Administration. *Q*

According to this conversation concluded when SPARKS stated that he would desire a copy of WALLACE'S speech to present to WILLIAM SCHNEIDERMAN, California State CP President in San Francisco, California. *Q*

b7D

This material is being submitted to the Bureau for information in connection with Communist activities.

Very truly yours,

R. B. Hood
R. B. HOOD
SAC

JMC:JLG
100-1763

~~CONFIDENTIAL~~

Learning the Hard Way

Secretary of State Jimmy Byrnes comes home from the Paris peace parley moaning that the Russians wrecked it, and the columning brothers, Joseph and Stewart



J. Alsop

Alsop, produce a piece for the May 20 issue of *Life*, groaning that American liberals are so in love with Russia they are "destroying their nation's chances of building a peaceful world order."

The Alsop doctrine runs as follows:



H. Wallace

"The majority of liberals are so preoccupied with foreign policy that they have ceased to think constructively about the pressing problems of the domestic economy. The reason for the confusion is also simple. It is the liberal attitude toward the Soviet Union."

As to who these "liberals" are, the Alsop brothers have as much trouble as anybody else drawing up a general definition that fits all cases, but they elect Secretary of Commerce Henry Wallace the head man of the fellowship of the confused. So it would also seem fair to say that, at least in the present case, "liberals" are Henry Wallace and friends. The Alsops continue:

"When the war ended an idealized picture of the Soviet state had formed in the minds of American liberals. Unfortunately, the tough, brilliant leaders of the Soviet state are not liberal idealists. They are realists and, unlike most liberals, they fully understand that power is the basic unit of all politics.

"When the war ended, they embarked upon an experiment in imperialism as bold as it was novel. In blunt truth, all the methods which were condemned most bitterly when employed by the new imperialism of Germany now began to be used to extend the sphere of Soviet domination . . .

"One can only admire the Soviet leaders' iron nerve and precision of execution, but one must also wonder whether they will ultimately be satisfied with less than domination over Europe and Asia.

"No such critical judgment has been possible for the American liberals, however. They have had to relate the reality of Soviet policy to the ideal picture of the Soviet Union which they cherish in their minds."

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY

SP1GSKJC
228303

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Gurnea _____
Mr. Harbo _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

And what sort of thing are the liberals doing? The Alsops report one performance of Wallace's that sums up the record for all of them.

How 'Liberals'

Injure the U. S.

According to the Alsops, our State Department negotiators had just about worked out a deal by March of this year in which we would be allowed to keep air bases in Iceland on a 99-year lease, as a guard to our North Atlantic frontiers.

But just as the Icelanders were about to sign, up pops Wallace to condemn the presence of U. S. troops in Iceland and to declare that the Russians must naturally assume the purpose is to threaten them.

His line is repeated by Senators Pepper of Florida and Kilgore of West Virginia, and Representative Helen Gahagan Douglas, of California—all Democrats—until now the Icelanders are backing down on the whole thing.

Conclude the Alsops:

"By an irresponsible intervention in a matter of great delicacy and seriousness, Wallace defeated his own Government's policy. He had a right to his opinion, but if he could not make his opinion prevail at Cabinet meetings, his only alternatives were to resign or remain silent."

Of course, Wallace is not the silent type, nor has he resigned. He stays on in Truman's Cabinet, hostile to Truman's policies, and Truman has not got up the nerve to fire him. Yet.

But just as Truman and Jimmy Byrnes learned the hard way that the Russians are as aggressive as Hitler

Wallace Should

Be Kicked Out

ever was, so will Truman have to learn—the hard way if need be—that he can never succeed in running a truly American administration with characters like Wallace around him.

WASHINGTON TIMES HERALD
MORNING EDITION
DATE 40

62-71788-A
RECORDED
JUL 31 1946 3-22-46

These self-deceived people have a fixed idea of the way the world ought to be and they invariably cut the facts to fit their fixations. It has been plain since early in 1920 that the Russian people by their revolution of 1918 had not escaped from oppression to liberty. They merely swapped one gang of oppressors for an even tougher gang of oppressors.

If the Russian people like to have it that way at home, it's their business, not ours. And if the Russian government goes on slugging other nations around, let's try our best to stay out of any trouble that develops.

But in any case let us not neglect our own security as a minimum item for survival in a warlike world.

The Wallace kind simply cannot understand the American first principle of self-defense. They will go on, if allowed, until they blunder us into war again, with results that will be disastrous by any standard.

Truman had better start NOW to put the quietus on these babies in every practical way. The first and best step would be to fire Wallace. Today.

Wallace is Holding Hands More These Days With Leftist Groups

By NED BROOKS, Scripps-Howard Staff Writer

Left-wing political groups are seeing more and more of Secretary Wallace. Business organizations are seeing him less and less.

Since Jan. 1, Mr. Wallace's political addresses have outnumbered his appearances before businessmen by about two to one.

Six of his 10 speeches on political topics have been delivered under auspices of labor-affiliated organizations, the remainder under regular Democratic sponsorship.

Some observers view the Secretary's emphasis on political speechmaking as an effort to cement alliances with elements of the party which supported him unsuccessfully for the vice presidential nomination in 1944.

LOOKING TO 1948

They foresee another bid on Mr. Wallace's behalf in the 1948 convention, possibly for the presidential nomination, but more probably for the vice presidency. If the latter move succeeds, Mr. Wallace would be groomed for the top spot in 1952.

But friends of Mr. Wallace say his sole interest at present is in carrying forward the Roosevelt New Deal ideals.

This campaign, Wallace associates say, has the warm support of President Truman. On June 14, Mr. Wallace will visit the President's home state for a speech before the St. Louis Liberal Voters League. His next speech is Friday night before a New York American Labor Party rally in New York.

Meanwhile, Mr. Wallace's open flirtation with left-wing groups has pro-

duced reactions on Capitol Hill, where the House recently trimmed his 1947 Commerce Department appropriations \$30 million below Budget Bureau estimates. The bill is now awaiting Senate Committee action.

The pruning dealt a blow to Mr. Wallace's plans for expanding his Department's functions, particularly in the field of aid to small business.

Reports reaching businessmen that Mr. Wallace is losing interest in trade development functions of his department have met prompt rebuttal. One story of poor relations between the Secretary and his Business Advisory Council brought George M. Humphrey from Cleveland to assure Mr. Wallace of the group's confidence.

Mr. Humphrey, president of the M. A. Hanna Co., mining and steamship firm, is chairman of the 45-member council.

SPEECH SPONSORSHIP

The National Citizens Political Action Committee, ally of CIO's PAC, has sponsored speeches by Mr. Wallace since Jan. 1 in New Haven, New York and San Francisco.

He also has appeared before the convention of the United Office and Professional Workers (CIO) in Cleve-

ers Association in Boston and Michigan Citizens Committee, non-partisan political action group in Detroit.

His appearances under regular party sponsorship have been before the Women's Democratic Club of Washington, Jackson Day dinners in Washington and Los Angeles and a Jackson-Jefferson dinner in York, Pa.

HIS ENDORSEMENTS

At York, Mr. Wallace endorsed "my very good friend" Sen. Guffey (D., Pa.) for re-election. In other speeches he has espoused universal social security coverage, industrialization of undeveloped areas of the South and West, abolition of Southern poll taxes, creation of a permanent Fair Employment Practices Committee and passage of the loan to Britain.

As proof that Mr. Wallace has not given the cold shoulder to business, in his capacity as a Cabinet member, associates cite his appearances this year before the Farm Institute in Des Moines, World Trade Conference in Chicago, American Retail Federation in Washington, Chamber of Commerce in Miami, Retail Grocers and Provisioners in Boston. Late last year he addressed the National Manufacturers Association in New York.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP19SK80
228303

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease

WASHINGTON DAILY NEWS

MAY 22 1946

162-71788 sub A

JUL 31 1946

53406 1946

Winters

STANDARD FORM NO. 64

~~SECRET~~

Office Memorandum • UNITED STATES GOVERNMENT

TO : The Director
FROM : D. M. Ladd *DL*
SUBJECT: HENRY A. WALLACE

~~SECRET~~

DATE: July 9, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

I thought you would be interested in the following information

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

b3

BY DEPARTMENT REVIEW COMMITTEE (DRC)

FLJ:TD

RECORDED & INDEXED

62-71788-34

Classified by 2213SK80
Declassify on: OADR 5-16-83
228303

~~SECRET~~

~~SECRET~~

RECORDED COPY FILED IN

AUG 19 1946

RECORDED

62-71788-37 September 20, 1946

BY SPECIAL MESSENGER

Honorable George E. Allen
Director
The Reconstruction Finance Corporation
Washington, D. C.

Dear George:

I thought you might be interested to know that the speech of Secretary of Commerce Wallace on Thursday, September 12, 1946, as well as press comments concerning the speech was given extensive publicity in Communist publications of Buenos Aires, Argentina. The attitude of the Buenos Aires Communist newspaper "La Hora" is exemplified by an editorial of September 14, 1946, claiming that the speech contained several fundamental contradictions and that its reactionary aspects clashed with its obvious intent to secure peaceful collaboration with the Soviet Union.

It was pointed out that Secretary Wallace failed to mention so-called monopolistic interests of the United States which have been causing a world-wide diplomatic, economic and military offensive against the Soviet Union. "La Hora" indicated that he should also have mentioned the activities of the United States Foreign Service against Russia; the speech of United States Ambassador George Messersmith before an American Legion group in Buenos Aires in which he allegedly invited Latin American countries to join the United States in an "inevitable war" against Russia; the maintenance of United States Air Bases abroad; and monopolization by this country of the secret of the atomic bomb.

Other points which the editorial claimed should have been raised included a purported anti-Soviet campaign by the American press; anti-Communist statements of General Douglas MacArthur in Japan; the support by the United States of the government of Chiang Kai-shek in China; United States "defense" of the Franco regime in Spain; and "sabotage" of the Potsdam Agreement. The editorial concluded that the United States had failed to uphold Big Four Agreements; had advocated a plan of unified military organization and equipment for the Western Hemisphere which threatened the sovereignty of all Latin American countries; and had condoned anti-Soviet statements of high military and government functionaries. According to the article, all these items should likewise have been discussed by Mr. Wallace.

Since that time this Communist paper has not commented on the speech but has merely reprinted despatches from Moscow concerning the matter but neither specifically supporting nor attacking Mr. Wallace's stand.

With best wishes and kind regards,

ALL INFORMATION CONTAINED

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DATE 5/6/83 BY SP10/SB/...

56 OCT 10 1946 228303

- Mr. Tolson
- Mr. E. A. Tamm
- Mr. Clegg
- Mr. Glavin
- Mr. Ladd
- Mr. Nichols
- Mr. Rosen
- Mr. Tracy
- Mr. Carson
- Mr. Egan
- Mr. Gurnea
- Mr. Harbo
- Mr. Hendon
- Mr. Pennington
- Mr. Quinn Tamm
- Mr. Nease
- Miss Gandy

WHD:AM

Sincerely yours,

39
JUS
00
20
6-4-77

Handwritten signatures and initials.

Mr. Tolson _____
Mr. E. A. Tamm _____
Mr. Clegg _____
Mr. Coffey _____
Mr. Glavin _____
Mr. Ladd _____
Mr. Nichols _____
Mr. Rosen _____
Mr. Tracy _____
Mr. Carson _____
Mr. Egan _____
Mr. Hendon _____
Mr. Pennington _____
Mr. Quinn Tamm _____
Mr. Nease _____
Miss Gandy _____

~~CONFIDENTIAL~~

F.B.I. RADIOGRAM

DECODED COPY *fe*

Arg. - Int. Sec. C

FROM BUENOS AIRES

9-18-46

NR 86

4:32 PM EST

COMMUNIST REACTION TO WALLACE SPEECH. INTERNATIONAL PRESS COMMENTS RE SPEECH GIVEN WIDE PUBLICITY. EDITORIAL DAILY LA HORA SEPTEMBER FOURTEEN CLAIMED FUNDAMENTAL CONTRADICTIONS AND SAID REACTIONARY ASPECTS CLASHED WITH INTEDNT TO OBTAIN PEACEFUL COLLABORATION WITH SOVIET UNION. POINTED OUT WALLACE FAILED TO MENTION MONOPOLISTIC INTERESTS OF UNITED STATES CAUSING WORLD WIDE DIPLOMATIC, ECONOMIC AND MILITARY OFFENSIVE AGAINST USSR: ACTIVITIES OF UNITED STATES FOREIGN SERVICE: MESSERSMITHS SPEECH: AMERICAN AIRBASES ABROAD: ATOMIC BOMB MONOPOLY: ANTI SOVIET CAMPAIGN OF AMERICAN PRESS: MAC ARTHUR IN JAPAN: SUPPORT OF REACTIONARY GOVERNMENT IN CHINA: DEFENSE OF FRANCO REGIME: SABOTAGE OF POTSDAM AGREEMENT: FAILURE UPHOLD BIG FOUR CONCORDS: TRUMAN PLAN WHICH THREATENS SOVEREIGNTY ALL LATIN AMERICAN COUNTRIES: ANTI SOVIET STATEMENTS OF MILITARY AND GOVERNMENT FUNCTIONARIES QUOTE ETC. ETC. UNQUOTE. SUBSEQUENTLY THIS PAPER HAS NOT COMMENTED ON SPEECH BUT REPRINTED MOSCOW DESPATCHES INDICATING WALLACE OBLIGED TO MAKE SIGNIFICANT CONFESSIONS BUT WHICH NEITHER SPECIFICALLY SUPPORT NOR ATTACK HIM.

Henry A. Wallace

RECEIVED

9-18-46

4:45 PM EST

RECORDED

*Let George Allen
VAB 9-20-46*

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&
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Declassify on: OADR

*5-16-83
228303*

*3/21/86
Classified by 3042 RUC/PA
Declassify on: OADR
7-10-87*

CLASSIFIED DECISIONS FINALIZED
BY DEPARTMENT REVIEW COMMITTEE (DRC)
DATE: *4-8-87*

62-71288-37

CONF

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems. *fe*

b7D

Mr. Tolson ✓
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

September 30, 1946

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5/16/83 BY SP-6 GSK

MEMORANDUM FOR THE DIRECTOR

Speech of Henry A. Wallace at
Madison Square Garden,
September 12, 1946

A paid confidential informant, [redacted]

advised that on September 14, 1946, Hal Simon, Trade Union Director of the Communist Party in New York State, advised several local members of the Communist Party, including the informant, that the speech given by Secretary of Commerce Henry A. Wallace was extemporaneous and not the prepared one which had previously been read and approved by President Truman. Simon stated that when Wallace began his speech he started to read from his prepared script but after noting the type of audience he faced he laid the script aside and spoke extemporaneously. Hal Simon further stated that he himself had a copy of Wallace's prepared speech and that it was entirely different from the speech actually given by Wallace.

Paid confidential informant [redacted]

Division attended the above rally at Madison Square Garden, and a paragraph from his report reads as follows:

"When his (Wallace's) first unfavorable remarks toward Russia drew hisses, Wallace apparently became unnerved. It is my impression that he then departed from his prepared text to avoid drawing any further unfavorable audience reaction. The remainder of his speech was characterized by extreme pussyfooting, which left the audience crazy as to what he actually meant. Many of the comrades were so confused by his remarks that they did not know whether to applaud or hiss. On more than one occasion his comments were simultaneously hissed and applauded. Wallace urged, for example, independence for Indonesia and Greece, as well as for Poland and Bulgaria. This was expressed in such a manner that the comrades thought he was setting up Bulgaria and Poland as examples for the independence of the other two countries. They applauded, of course, but Wallace made no attempt to clarify his remarks."

The informant further stated that most of Wallace's speech was reported accurately in the New York Times newspaper.

Action: The above is being furnished for your information.

Respectfully,

D. M. Ladd

HQB:MR
OCT 23 1946

THIS MEMORANDUM IS FOR ADMINISTRATIVE PURPOSES
TO BE DESTROYED AFTER ACTION IS TAKEN AND NOT SENT TO FILES

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. LADD

FROM : MR. STRICKLAND

SUBJECT: HENRY A. WALLACE
INTERNAL SECURITY - R

DATE 10/31/46

| | |
|----------------|--|
| Mr. Tolson | |
| Mr. E. A. Tamm | |
| Mr. Clegg | |
| Mr. Coffey | |
| Mr. Glavin | |
| Mr. Ladd | |
| Mr. Nichols | |
| Mr. Rosen | |
| Mr. Tracy | |
| Mr. Carson | |
| Mr. Egan | |
| Mr. Hendon | |
| Mr. Pennington | |
| Mr. Quinn Tamm | |
| Tele. Room | |
| Mr. Nease | |
| Miss Beahm | |
| Miss Gandy | |

Your attention is directed to the attached clipping from the Washington Post for October 31, 1946, in which Wallace is quoted as saying, "I refuse to think that Secretary Byrnes and the State Department would have gone so far in risking war with Russia if they had not been needled into it by Vandenberg and the Military."

Your attention is directed to the attached copy of "Political Affairs" for October, 1946 and specifically to page 879 containing an article entitled "The Policy of Anti-Soviet Encirclement" by James S. Allen.

Allen's article in discussing the "Get Tough Policy" states, "The initiative was taken largely by the British, with the support of the United States, while Vandenberg and other forces were needling the Administration to assume active leadership in organizing a new *hostile* encirclement of the USSR."

ACTION: You may wish to call this issue of "Political Affairs" to the attention of Mr. Nichols for his assistance at this time.

Attachment
LW/dm

59 DEC 10 1946

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HEREIN IS UNCLASSIFIED

DATE 5/16/83 BY SP1GSEJC

228303

Army, Navy Needle Byrnes, Wallace Says

Minneapolis, Oct. 30 (U.P.).—Henry A. Wallace, former Vice President and Cabinet member, charged tonight that Secretary of State James F. Byrnes has been "needled" into risking war with Russia by Senator Arthur H. Vandenberg and the War and Navy Departments.

In a speech prepared for delivery at a political rally for Democratic-Farmer - Labor candidates here, Wallace said he "refused to believe that Secretary Byrnes is happy with the way in which Senator Vandenberg, the Army and Navy are making our foreign policy."

Earlier, in a luncheon speech at Macalester College in St. Paul, Wallace charged former British Prime Minister Winston Churchill with leading the "mischief making," and of being the world's "greatest Red baiter."

"Since I left the Government, a trend towards modifying our position has been evident. However, discordant voices such as that of Winston Churchill still speak up."

Admiral Halsey Criticized

In his speech tonight, Wallace said that "certainly Secretary Byrnes was not responsible for Navy fliers writing the initials F. D. R. over the skies of Royalist Greece," he said.

"Certainly Secretary Byrnes did not authorize Admiral Halsey to say that our Navy would go wherever it damned pleased.

"It is hard to believe that Secretary Byrnes is pressing for outright U. S. ownership and fortification of the Rykuku Islands in such a way as to be a definite and distinct threat to the free access to the seas by the Russians from their only warm-water Pacific port."

Problem More Complicated

The military necessarily think and prepare to meet the "next possible enemy," Wallace said, while the State Department plans for peaceful relations.

"I refuse to think that Secretary Byrnes and the State Department would have gone so far in risking war with Russia if they had not been needled into it by Vandenberg and the military," he said.

The problem of carrying on successful relations with Russia, Wallace said, "is not as simple as I presumed it last September 12," the date of his New York speech that led to his ouster from the Cabinet by President Truman.

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DATE 5/16/83 BY SP18SKJ/S
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WASHINGTON POST
10/31/46
PAGE 2

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McGraw-Hill
Baumgardner
PORTAL TO PORTAL PAY

**ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED**
DATE 5/16/83 BY SP1GSCJEC

Pittsburgh, Pa.,

January 5, 1947.

The ~~New Republic~~, of which Henry Wallace recently became editor, in the January 6th, 1947 issue chides corporation lawyers.

The column on Labor - Portal to Portal in speaking about corporation lawyers states,

"The highest paid corporation lawyers in the country have converged upon Washington to prepare a common defense against labor's billion-dollar claims for retroactive portal-to-portal wages. Labor lawyers are amazed that industry's big legal brains have been so slow on the draw----. The Corporation lawyers were doing last June. They paid no mind to the Mount Clemens decision, allowed the C.I.O. lawyers to push the case through and made no move at all to participate in the motion for reconsideration offered by the counsel for the pottery company.

The C.I.O. lawyers debated from June until September over what to do with the powerful weapon they had been handed.

The Corporation lawyers have decided that their best chance of curbing the suits at this late date is by legislation. The legal staffs of N.A.A.W. and the U. S. Chamber of Commerce have been busy drafting bills and advising sympathetic congressmen on how best to do the job. A few of the more impetuous attorneys favor drastic legislation that would bar all back claims, including those for which suits have already been filed. Soberer counsel generally believe that such action would be unconstitutional and in the long run would only further complicate industry's position. These strategists prefer a bill similar to one introduced by Representative John Wynne (R. Iowa) in last session, setting a time limit for future suits of this nature.

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58 JAN 20 1947

71

Meanwhile the federal government is a most interested onlooker. The federal treasury will be the loser if industry settles the claims and seeks proportionate tax rebates. Renegotiated and cost-plus war contracts may have to be re-examined, with financial loss to the government virtually assured in advance."

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his own. Regardless of politics and I am
a Republican, Harry Truman puts
America first. My country may she
always be right but my country
right or wrong. Both my husband
and my ancestors came here in 1615,
and I will not stand for a man
like Henry Wallace, who is suffering
from halitosis of the intellect, to go
abroad in the year 1947 and de-
nounce our Government. I am only
one of one hundred and thirty million
Americans, but I demand you
Mr Hoover, to have Henry Wallace
court-martialed and shot for treason
the same as you would have done to
any one of our enlisted men. I think
it is high time for the public who are
caught in the middle of everything
lately to start striking back.

Respectfully, Mrs Howard Belknap

Office Memorandum • UNITED STATES GOVERNMENT

TO : D. M. LADD

FROM : J. C. STRICKLAND

SUBJECT: "NEW REPUBLIC"

DATE: April 11, 1947

Assistant SAC Belmont advised that the "New Republic" for April 14, 1947, on page 12, carries an article written by Henry Wallace entitled "A Bad Case of Fever." This article attacks the President's Executive Order on Loyalty Investigations and, according to Mr. Belmont, explains that the statistics previously mentioned by the Director to the effect that there is one Communist in the United States for every 1,814 persons are misleading.

A copy of this article is being transmitted to us by the New York Office.

JCS:mjj

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New Republic

An eagle with spread wings, perched on a shield with stars and stripes, holding an olive branch and arrows.

APR. 14, 1947 *

Franklin D. Roosevelt

by Henry Wallace

John Lewis' Mine Workers

by Dale Kramer

15 CENTS

VETS' STORY CONTEST WINNERS ANNOUNCED PAGE 4

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New Republic

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STAFF CONTRIBUTORS: Tris Coffin, Malcolm Cowley, Ralph G. Martin, Angus McDonald, Thomas F. Reynolds, Vincent Sheean, Willard Shelton, Stark Young
TREASURER: Daniel Mebane
ADVERTISING MANAGER: E. G. Wood
CIRCULATION MANAGER: Eric Shumway
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Letter of the Week

Tropical Isle

Jules France was a master sergeant in the Army Air Corps (Pacific) and at the same time an accredited correspondent to a number of American magazines. He was in Samoa, the islands of the South Pacific and Australia. After demobilization, he returned to Samoa to finish a writing assignment, and left there last June. France now lives in Connecticut.

THE Honorable Mariota T. Tuisasosopo is an earnest, self-educated admirer of American democracy. He likes the whole idea so much that he's been trying to get more of it for his people in American Samoa.

As official orator for the Samoan Assembly, and a "high talking chief" of the Eastern District, Tuisasosopo has refused to be discouraged by the peculiar fact that you can apparently live under the American flag without enjoying the heritage of self-government.

Ever since 1900, when the United States Navy assumed dominion over 16,000 souls in the Samoan Islands, the thought currents of Broadway, Main Street and Pennsylvania Avenue have rippled the waters of Pago Pago harbor, ten days by boat from San Francisco.

A peace-loving, gracious and hospitable people, Samoans have welcomed and cooperated with our Navy administration. And they freely count the blessings they have received under the American aegis. But as honest men, they find these not unmixed, and too many are missing. The Samoans, unfortunately for our peace of mind, have read our Constitution and Bill of Rights.

The government of American Samoa consists of one man—the Commander of the US Naval Base. A benevolent dictator, he will listen to the wishes, complaints and advice of Samoa's chiefs, who achieve their rank through inheritance. But the Commander's word is final, and there is no court of appeal.

This autocratic rule—despite its American trademark—has been patiently tried by the islanders, and found wanting. In April of last year the Samoan

(Continued on page 46)

Announcing the Winners of the New Republic Short Story Contest for War Veterans Now Attending College

Aiming at the discovery of fresh, authentic voices among World War II veterans, the editors of the New Republic went to the college campuses of America. War veterans there, students under the GI Bill of Rights, submitted over 2,000 manuscripts to the New Republic Short Story Contest.

Judges: Marshall Best, *Editor of Viking Press*; Frank Taylor, *recently Editor of Reynal & Hitchcock*; Otis Wiese, *Editor of McCall's*.

First Prize (\$500 Award): Ashur Baizer, *Columbia University, N.Y.*

Second Prize (\$250 Award): Jesse McCracken, *Guilford College, North Carolina.*

Third—Seventh Prizes (\$50 Awards): Donald McInnis, *Stanford University, California*; Richard Seaver, *University of North Carolina*; Elvin Albaum, *Brooklyn College, New York*; Emmett Robinson, *University of Texas*; Jerry Bick, *Columbia University, N. Y.*

Honorable Mention Awards (*One-Year Subscriptions to the New Republic*):

Bernard Aurentz, *Hershey Junior College, Pennsylvania*; Milton Bass, *Amherst College, Massachusetts*; John Birmingham, *Hartford, Connecticut*; Frederick Brainin, *National School for Speech Disorders, New York*; Martin Bressler, *City College of New York*; Bradley Burch, *New York University*; Charles Caldwell, *University of Alabama*; Art Casey (2), *Los Angeles, California*; S. R. Curran, *Cornell University, New York*; Robert L. Fraissinet, *Yale University, Connecticut*; Alexander Frazer, *Northwestern University, Illinois*; William Garvin, *Pennsylvania State College*; William A. Gold, *University of Virginia*; Herb Gould (2), *Columbia University, New York*; Jay Haley (3), *Los Angeles, California*; Daniel Kushner, *New School for Social Research, New York*; Ray Lapica, *New York City*; Jerome Lipman, *University of Pennsylvania*; Norman Michie, *Ripon, Wisconsin*; Warren Miller, *University of Iowa*; John Orr, *University of Alabama*; Leo E. Persselin, *University of Illinois*; Shane Riorden, *Harvard University, Massachusetts*; Joseph H. Satin, *Columbia University, New York*; Paul Selvin, *University of Connecticut*; Jack C. Werner, *Columbia University, New York*.

Watch forthcoming issues of the New Republic for publication of winning stories



New Republic

VOLUME 116, NUMBER 15, ISSUE 1689, NEW YORK CITY, APRIL 14, 1947

News in Focus

Greatest Victory

Congress

It was a great victory for David E. Lilienthal, but perhaps an even greater one for Arthur Hendrick Vandenberg. Surely, it was Vandenberg's greatest hour in 19 years as Senator from Michigan when he delivered his powerful appeal last week for confirmation of Lilienthal as chairman of the US Atomic Energy Commission.

The crucial Senate test on Lilienthal's nomination came an hour after Vandenberg had finished. Seventeen other Republicans defied GOP floor leadership support Vandenberg; with 34 Democrats they voted down (52 to 38) an attempt to send the Atomic Commission appointments back to committee. The final vote actually to confirm Lilienthal and four other commission members could be an anti-climax.

Thus, despite 10 solid weeks of bitter, bridled assaults on his ability, character and origin, Lilienthal had won the stupendous job of directing this country's atomic-development program—for peace or war. This program had floundered during the long Lilienthal debate. His victory would be the signal for full speed ahead.

But Vandenberg had won many victories, too, in this fight:

He had proved beyond doubt the many had said he lacked; he had signed himself vigorously against the four other members of the Senate's Republican "Big Five"—Taft (Ohio); White (Maine); Wherry (Nebr.); and Bridges (N. H.)—and had beaten them all.

In his undeclared, disavowed race for the 1948 GOP presidential nomination, he had gained much ground at the expense of his chief congressional rival, Bob Taft.

But his greatest victory was won over himself. Last week's performance provided fresh evidence of the distance Vandenberg had traveled from his pre-war, pro-isolationist, strongly anti-New Deal position.

Now his raspy, gravel voice, never so effective before, seemed to represent the good conscience of conservative Americans willing, on some issues at least, to confront the stubborn realities of an atom-splitting world.

There were many dramatic moments in the final two days of bitter debate before the Senate's test vote, but none so dramatic as the 35 minutes consumed by the 63-year-old Michigander. The chamber was crowded. Most Senators were at their desks. Members of Senate staffs and a few favored friends occupied chairs or stood at the sides and rear of the floor. Not even standing room was left in the galleries.

Vandenberg rested his big frame heavily against a speech rack atop his mahogany desk in the center of the chamber. With his left hand, he gripped the stand. With his right, he executed his familiar salute-like gesture as he hunched over and thundered home his

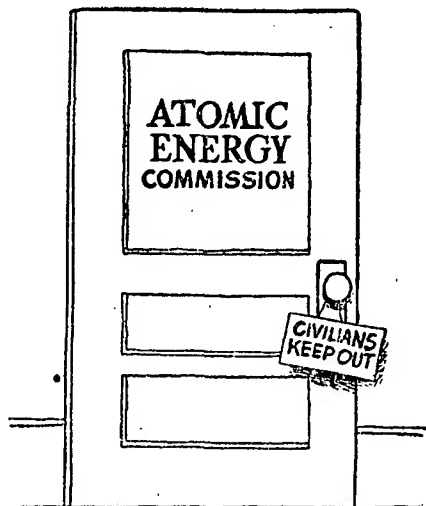
arguments. Republicans and some Southern Democrats had hammered incessantly on the line that Lilienthal had Communist sympathies or was "soft" toward Russia. Said Vandenberg:

After weeks of testimony, I find no basis for this charge. . . . I do not want to emulate the intolerance of communism itself by condemning to some sort of Siberia all persons who do not happen totally to subscribe to my own view as to how America ought to be run. . . . It is the opinion of our [atomic-energy] committee that Mr. Lilienthal is no part of a Communist by any stretch of the imagination. . . .

Taft had stunned even some of his Republican colleagues by urging that the US withdraw its international atomic-control plan from the United Nations "until the world is in a more peaceful state." He wanted domestic control taken out of civilian hands and returned to the Army. Vandenberg pointed out that the Senate Atomic Energy Committee had struggled with that problem for many months: Said he: ". . . if we found out one thing truer than another, it is that in peacetime we cannot drive science into its laboratories with bayonets."

To arguments that Lilienthal—former head of the Tennessee Valley Authority—is "such a devotee of public ownership that he will endanger free enterprise," Vandenberg recalled that Congress had made control of atomic energy "the tightest government monopoly ever set up in the United States. . . ." He declared:

You all voted for it. It passed the Senate unanimously. We . . . decreed that government ownership and management . . . is an indispensable public necessity for the sake of national security in respect to the control of atomic energy . . . therefore, one of the most available men to run it is the successful manager of the greatest existing comparable example of



public ownership and management. Whether we like it or him or the TVA, this sequence leads logically to David Lilienthal's door. His liability under other circumstances thus becomes an asset for the time being.

Vandenberg branded as "irrelevant, incompetent and immaterial" the criticism by Taft and others of the so-called Acheson-Lilienthal report on atomic-energy control—the document which provided the basis for the plan submitted to the UN by Bernard M. Baruch. He pointed out that the report was produced by others than Lilienthal and Undersecretary of State Dean Acheson, and declared: "Prominently among those consultants who put their stamp of integrity upon this report . . . was the very man who is the idol of all the speeches I have heard here against the Lilienthal confirmation. It is signed by Major General Leslie R. Groves. . . ." (Groves was wartime director of the Army's Manhattan Project which produced the atom bomb.)

Vandenberg cited a list of scientists who had endorsed Lilienthal and demanded: "Where are the comparable witnesses against him, Senators? I ask that again. Where are the comparable witnesses against him?"

There was no answer. Crotchety old Kenneth McKellar, the Tennessee Democrat who had started the fight against Lilienthal and produced half a dozen disgruntled former TVA employees as opposition witnesses, stared moodily at his thumbs.

A few more minutes and Vandenberg was concluding: ". . . for myself . . . I have no alternative. . . . I have no doubt that in the interest of the national welfare and for the sake of a square deal, Mr. Lilienthal is entitled to be confirmed."

Applause swept the galleries in violation of Senate rules. Liberal Republican Senators Charles W. Tobey (N. H.) and George D. Aiken (Vt.) stepped forward to congratulate Vandenberg. As Vandenberg headed for the corridors, Senator Irving M. Ives (R, N. Y.) clasped his hand.

Looking like a man who knew he was beaten, Taft went through the final motions of debate. After the vote the Ohio Senator hurried from the chamber.

Three newspaper reporters were waiting at the door. "Any of you fellows waiting to see me?" asked Taft, briskly. All shook their heads, "No." They were waiting for Vandenberg.

Revitalized UN

Foreign Policy

TO the people of Greece events on their own doorstep—the death of George II, the accession of his brother, Paul I, and the UN investigation of border warfare—were overshadowed by happenings in a far-off land. Greeks knew that their immediate future was being shaped less in Athens than in Washington where both Senate and House Foreign Affairs Committees held hearings on the Administration proposal for "anti-Communist" loans to Greece and Turkey.

Impatiently the Greeks read reports of testimony that promised to extend the House hearings another week, maybe more, before Congress could open its great foreign-policy debate. Most of the testimony was anti-Communist bombast, but from Senate President Arthur Vandenberg, in a continuing mood of statesmanship (see above), came a proposal that was far from bombast.

Maybe after all, the Senator agreed, the UN should not be by-passed. He proposed, and his committee adopted, an amendment promising that the US

would abandon its Greek program if either the Security Council or the UN Assembly voted disapproval and provided the UN itself was ready with a substitute Greek plan. As evidence of good faith, the US would yield its own veto right in the Security Council. In realistic terms, the UN Assembly was never likely to take such action, entailing vast expenditures for an alternative program, but the true importance of the Vandenberg amendment was its author's acknowledgement that the UN, unless it is to become totally devitalized, must be kept in on such vital problems as political loans to member states.

If Vandenberg had carried his concessions one big step further, by separating the Turkish proposal from the Greek loan, it would have fulfilled most of the Liberal conditions for non-military loans to Greece, a matter sure to get a thorough airing in congressional debate.

The anxious Greek government read with more interest, however, that the committee had by-passed proposals by Senator Henry Cabot Lodge (R, Mass.) which would have required taxation and fiscal reforms before the Greeks could qualify for US aid. After talks with Premier Demetrios Maximos and Foreign Minister Constantine Tsaldaris in Athens, Raymond Daniell of the *New York Times* rediscovered what Constantine Poulos had reported nearly a month ago (March 17) in a dispatch to the *New Republic*. Daniell concluded that the Greek government had no intention of embarking on any reform program and hoped, instead, that the US would act only in an advisory capacity on loan expenditure.

Other items in correspondent Daniell's dispassionate account did not draw a very pretty picture of the nation to which a loan is proposed:

¶ Tsaldaris said "the Greek army of 100,000 should be doubled immediately."

¶ "The US may be financing a future military dictatorship" since the premier's political debts are chiefly to rightist army officers' leagues, rich industrialists and bankers.

¶ "It is worth a man's life to be seen reading a liberal daily in the provinces.

FDR Today

TWO years ago this Saturday, April 12, President Franklin D. Roosevelt died at Warm Springs, Georgia.

Last week Mrs. Roosevelt spoke the thoughts of millions: "You know, I think he gave people a sense of security. They felt he had a pretty complete understanding of their own problems and the problems they must face in the rest of the world. Hearing his voice they were inclined to feel they were part of what was going on. Now they feel left out."

For another recollection see "The Roosevelt We Remember," by Henry Wallace, page 14.

wage offers, similar refusals to arbitrate the union shop, similar advertisements in local newspapers all over the country.

Asking for a general \$12-a-week—roughly 25-percent—wage increase, the NFTW argued that telephone wages had lagged behind those in other industries. Another kick came from the union over wage differentials. Starting rates for operators varied from \$22 a week in a small Southern town to \$31 in Detroit.

The employees asked that vacations and pensions be liberalized. Employees with 15 years of service had been given a three-week vacation. Under the new contract they wanted four weeks' vacation after 20 years of service.

The telephone workers found the rungs from the bottom to the top of the ladder too far apart. The length of time required for a worker to go from the starting wage to the top wage for his job was eight years. The NFTW wanted it reduced to five years, except in the case of technical workers. To most of these grievances the AT&T offered to extend existing provisions, which they considered "fair and liberal."

Labor Department negotiators were not aided, in seeking settlement of the conflict, by the appearance of Representative Fred A. Hartley Jr.'s (R, N. J.) bill to authorize the Attorney General, on direction of the President, to halt a strike by obtaining an injunction. The effect, when coupled with other congressional moves tending toward outlawry of the closed shop and against industrywide bargaining, was to intervene in collective bargaining on the side of the AT&T. Last year a nationwide telephone strike was averted 25 minutes before deadline through a wage agreement between the union of long-distance operators and the AT&T, which employs long-distance workers directly, with the understanding that the wage increase would also go to other unions. This year the AT&T had shown signs of preferring a showdown fight.

Tall Price

Illinois

THE lives of Centralia's 111 mine victims seemed a tall price for the information that the much heralded government "seizure" of US coal mines

had bordered on fiction. The investigations and controversies over the calamitous blast in the Illinois coal fields last week bathed federal powers over mine safety in an unflattering glare. The feeble reflection of government control was in pale contrast to the noble light shed by the Supreme Court when it upheld the contempt proceedings against the United Mine Workers and John L. Lewis.

Senator Guy Cordon (R, Ore.), head of the special subcommittee which rushed to the scene of the blast, concluded that "if there has been one thing shown to this committee, it has been that there was gross negligence in the handling of safety conditions." Representative Gerald W. Landis (R, Ind.), a former miner, introduced a bill in the House "to put some teeth in our Federal Mine Inspection Act." Ordinarily, enforcement of safety codes, as Interior Secretary J. A. Krug conceded last week, depends on "widely varying state laws." The emergency powers acquired by the government when it "took over" the mines last year contained no specific provisions for closing down unsafe workings. Captain N. H. Collisson, US Coal Mines Administrator, had written five times to the management of Centralia No. 5 to complain about viola-

tions discovered by US inspectors. His temporary power, however, to "discipline or replace the operating manager" had not been exercised.

In the absence of federal authority, the breakdown of state regulation was all the more catastrophic. Robert M. Medill, director of the Illinois Department of Mines and Minerals, took full responsibility for orders which had diverted state inspectors to the extra-curricular task of dunning coal operators for contributions to the Republican mayoralty campaign in Chicago. Last week Medill resigned "for the good of the service." Governor Dwight H. Green, to whom Centralia miners had addressed a plea "to please save our lives," weakly explained that "the letter arrived at a time when I was away. I never saw it."

The pathetic conditions in Illinois were no relief to the heavy drama in Washington. The Bureau of Mines supplied the tardy intelligence that although it had conducted 3,345 mine inspections in 1946, only two mines—worked by the Union Pacific Railroad in Wyoming—had been found free of safety violations. Secretary Krug ordered that 518 of the 2,531 government-operated mines shut down by Lewis for an Easter Week "mourning" period be kept closed until union safety committees decided they were no longer dangerous. In rebuttal Lewis requested that all mines except the pair in Wyoming remain empty until approved by federal inspectors.

The maneuvers to shift responsibility for declaring the nation's mines fit to work in pitched another climax into the Krug-Lewis melodrama. Lewis, playing to the hilt, repeated the charge that Krug was solely responsible for the Centralia disaster. Krug thrust back figures to show that fatalities in the mines had dropped during the 10 months of federal operation. John L. was scornful: "This modern Hercules with the No. 12 shoes and No. 5 hat has reduced deaths from 95 a month to 85 and then he rests from his labors."

This week, as the miners' mourning period expired, Lewis indicated a stubborn intent to keep the pits idle until the federal government assumed the full responsibilities for mine operation and inspection.

Argentine Atom

ARGENTINE experiments in atomic physics have definitely been conducted under the direction of Dr. Guido Beck, Czech-born scientist, according to a Buenos Aires dispatch by Virginia Prewett, correspondent for the *Chicago Sun*. Beck had protested that the *New Republic* linked him unjustly with the Peron government's military program of atomic development and, in a letter to this magazine (the *NR*, March 31), denied any connection. Records now uncovered by Prewett show that Beck "personally suggested and directed" experiments in atom-splitting between 1943 and 1945. Some of the results were recently published in *Revista Astronomica*, Argentine science journal.

APRIL 14, 1947

Q "Recently in Athens 560 persons were outed from bed by security police at night and whisked to Aegean Islands, Gestapo-style."

Q "Greece is beginning to take on some aspects of a police state."

Phone Strike

Labor

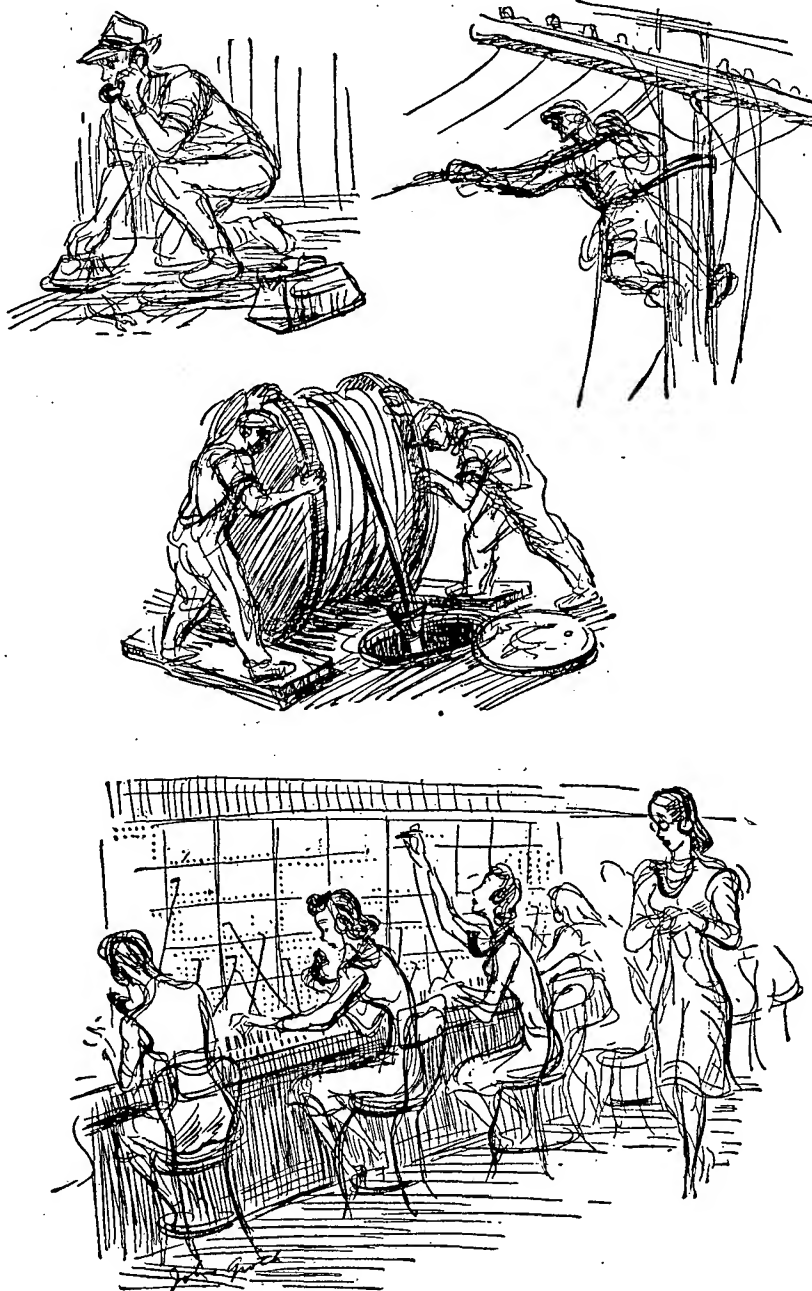
AS THE six a.m. deadline jumped across the country Monday morning, operators pulled the plugs from their boards, left company property and took their places on the picket lines. The first nationwide telephone strike was under way. Long-distance lines went out immediately; dial systems were expected to deteriorate gradually as breakdowns remained unrepaired.

Negotiations had continued up to the last minute in Washington. Secretary of Labor Lewis B. Schwellenbach took charge in the pre-dawn hours. But the zero hour came and went with no agreement in sight. Joseph A. Bierne, president of the National Federation of Telephone Workers, pledged some 342,000 workers to accept local collective bargaining or nationwide arbitration of all issues. The AT&T let the strike begin without comment. But talks went on in Washington while Labor Department conciliators sought solutions throughout the country.

The basic dispute between the NFTW and the AT&T centered on the issue of industrywide bargaining. The parent company, insisting that its regional operating subsidiaries were subject to state regulation and local cost factors, argued that wages must also be governed by these factors. An AT&T vice-president, Cleo Frank Craig, was quietly present in Washington last week, but he never entered direct negotiations. He reiterated that each regional operating company had real autonomy in dealing with the 39 unions loosely confederated in the NFTW—a claim at which the unions scoffed.

The NFTW did not demand uniform wages but it insisted on centralized bargaining to bring wages in different areas into closer relationship. It pointed out that the operating companies' activities bore the imprint of unified direction—similar local arbitration offers, similar

The Men and Women of AT&T



THE men and women of telephone were once the showpiece of US industry: in December, 1939, they got an average of \$32.46 weekly compared to a national manufacturing average of \$25.23. By December, 1946, their wage was up to \$42.98, but the manufacturing average had risen to \$46.86. Light and power workers were averaging \$54.58; railway and bus workers, \$55.26. Telephone workers' position has deteriorated even more seriously in terms of purchasing power. From April, 1945, to January, 1947, their average earn-

ings rose 15.2 percent. Over the same period the cost of living was up 20.5 percent; food prices had risen 34.5 percent.

Here is what the workers sketched above are being paid, according to the American Union of Telephone Workers: installation man, average weekly starting wage \$27, average top wage \$65; lineman, same average starting wage, average top wage \$58; cable layer (construction worker), same as lineman; switchboard operator, average wage \$33; switchboard supervisor, average wage \$40 to \$50.

The UMW president remarked vengefully that safety supervision by union committees had been undermined by "intimidation" stemming from federal anti-strike injunctions. He ordered UMW districts not to pass on the removal of hazards. The government, as far as "Old" John L. Lewis (see page 22) was concerned, could clean up its own mess.

No Answer

Prices

ON March 26 President Truman made a public plea to US industry to heed "the handwriting on the wall" and cut prices. He implied that current negotiations for wage increases could be completed successfully without raising prices.

The text of the handwriting on the wall was spelled out once again by Robert R. Nathan, CIO economist. His report last fall demonstrated that industry could afford wage boosts without price increases and is the basis of current CIO demands in major industries. Last week Nathan found the wage-price-profit structure "even more unsound than four months ago." Said he: "Prices have continued to reach for new high levels, the pay envelope continues to buy less and less, consumer resistance is growing and inventories are starting to back up."

As industry's 1946 statements and 1947 indications continued almost unanimous in recording unprecedented profits, there was equal agreement not to pass on any of the increase to labor. There were a handful of exceptions: International Harvester cut list prices of some items; Plymouth prices were shaved; Ford, with appropriate to-do, gave the consumer a spoonful of the top cream. Example: the de-luxe business coupe was cut \$20 last week to \$1,150 (f.o.b. New York), still 85.4 percent higher than 1939 and seven percent higher than 1945.

More typical of US industry was the case of US Steel, where negotiations for a wage increase have been dragging since January. US Steel's report for 1946 showed a profit after taxes of \$88.6 million, the highest since 1941 despite the steel and coal strikes. Nathan recently issued a little Nathan Report for

Static on FM

Pennsylvania

ALLENTOWN is one of the 114 towns in the United States where the only newspaper and the only radio station are owned in common. A year ago, five young veterans decided to throw some competition into Allentown. From the Federal Communications Commission they got a license to broadcast to the two million people in the Allentown area over radio's static-free wonder medium—FM (the NR, February 17). Last week, as the vets pushed construction of their station, interference was crackling through the Allentown air, the kind of interference which recently moved the Commission on Freedom of the Press to urge the government to press "in every way short of subsidy the creation of new units in the [communications] industry."

Under their corporate name, the Penn-Allen Broadcasting Company, the vets had been selling the \$75,000 of stock necessary to put them on the air. Sales were going well. Then suddenly they stopped. Through anonymous phone calls and inside tips, the vets began to learn why:

Residents were being told that the veterans were broke, that they wouldn't last the year. A whispering campaign warned prospective stockholders that the company was backed by Jewish money. ("If we were Jewish, which none of us are, we'd be as proud of that blood as we are of the

blood we have," said Raymond F. Kohn, Penn-Allen's president.) Residents were told that the vets had no channel assigned to them by the FCC. In the country clubs it was whispered that the transmitting power would endanger surrounding property because it might fall.

The five partners had hired the city's leading law firm to represent them and handle their stock issue. This firm, which also represents the existing newspaper and radio station, said it was "advised" to drop the new FM organization. Reluctantly, the law firm pulled out, withdrew its name from all promotion literature. The vets' bricklayer contractor was warned to lay off the job—that he'd never be paid anyway. In regard to these developments, Kohn said:

"Well, we're learning what it's like to start up in a monopoly town. We called a meeting of our stockholders and offered to buy back their stock. Not one accepted; they're backing us to the finish. We need \$30,000 to get on the air.

"Senator O. J. Tallman, majority leader of the Pennsylvania state senate, has agreed to represent us as counsel from here on in, although he risks losing newspaper publicity in his district by standing with us. The five of us did not spend five years each fighting corruption on a global scale only to find it snuffing us out in our own backyard."

steel showing that wages could be upped 21 cents per hour without a price increase. There were rumors that the CIO and Big Steel would get together on some such figure as this. But last week, as the April 30 contract deadline neared, Benjamin Fairless, president of US Steel, put an abrupt end to the hopes of President Truman and others who thought industry might heed the handwriting on the wall. "One of the demands of the union is for a substantial wage increase," said Fairless. "Other demands of the union, if granted, would add materially to our already heavy costs. Until these demands are disposed of in the pending negotiations, no real consideration can be given by us to the adequacy or inadequacy of our present steel prices."

Macy's, New York department store, whose motto is "It's Smart to Be

Thrifty," found so many of its customers being thrifty in the face of current prices that it took a full-page ad to warn that costs must come down. Its thrifty solution: technological advances and higher labor productivity will do the trick.

Preliminaries

Spain

THE only remaining European ruler to side openly with the late Axis was trying hard to keep his job in an almost friendless world. Last December, Generalissimo Francisco Franco made an offer to Don Juan de Bourbon, waiting since 1935 to fill the Spanish throne deserted by his father. The offer: to train Juan's nine-year-old son for the job under Franco's regency. Franco got an angry reply: "I am not prepared to

be treated by General Franco as if I were the Sultan of Morocco."

Last week, Franco tried another move. He sent a law of succession to his puppet parliament. It set up a Council of the Kingdom. If Franco died or became incapacitated, the council would select a chief of state who would uphold the basic laws of Spain—for the record still a monarchy:

At home, for once, all opposition circles (including the monarchists) were agreed: the lofty promise to restore the monarchy was obviously a hedge to strengthen Franco's wavering grip on the country. But Franco's words also set off a revived jockeying for top position among his opponents. The monarchists seemed to have the edge. As long ago as last January they had brought together all opposition elements except the Communists to work for a refurbishing of the throne. A number of Spanish generals and colonels of the Falange who looked to the monarchy to save their jobs and necks were among that number.

It was no secret that Britain's Foreign Office had long cultivated friends among high Spanish army officers, Catholic church leaders, aristocrats and businessmen in a quiet effort to achieve a constitutional monarchy—lest communism emerge as Franco's heir in the western Mediterranean. The British had looked coldly at the republican government-in-exile of anti-monarchist José Giral. But he was out now and Rodolfo Llopis, his successor in Paris, hinted that Britain might regard his cabinet with favor if he could agree with some rightists and monarchists.

The US was also about to take an active part in the cozy game. It would offer financial encouragement to those non-Communist Spaniards the State Department judged capable of bringing about a peaceful new regime.

A tip-off came in the appointment of the new US chargé d'affaires in Madrid. Careerman Paul T. Culbertson, outspoken chief of the State Department's Western European division, is opposed to an outright return of the monarchy but would be guided by the American-British-French statement of last year urging the people to set up a caretaker government in place of Franco.

Worst Seller

ONE of the US Government Printing Office's fastest moving items is "Communism in Action," a pamphlet produced last year by the Library of Congress staff which is directed by Representative Everett M. Dirksen (R, Ill.). Dirksen encountered no difficulty recently in getting authorization for a second printing of 500,000 copies.

Representative Wright Patman (D, Tex.) got the library staff to produce a companion pamphlet of 150 pages entitled "Fascism in Action." Early in this session he introduced a resolution to have it, too, printed as a public document. So far, he has not even been able to get a sample copy. He has said that if the House Administration Committee does not report on his measure this week, he will circulate a petition for the 218 signatures needed to by-pass the committee. "It will be interesting to see who refuses," said Patman.

Bugaboo

Civil Liberties

PRESIDENT TRUMAN's executive order of March 22 directing that government service be rechecked for disloyal persons spoke of "a threat to our democratic processes." The threat, undefined by the President beyond the adjective "subversive," has been freely explained since by newspaper allusions to Washington's "Red Purge." The White House kept mum. Last week ex-Governor George H. Earle of Pennsylvania made public a letter, written on February 28, which made the silence seem louder:

Dear Governor:

I appreciate very much your note of February 26 and I am very happy to be informed of your decision with regard to the American Anti-Communist Association. [Earle had resigned.]

People are very much wrought up about the "Communist bugaboo," but I am of the opinion that the country is perfectly safe so far as communism is

concerned—we have too many sane people. Our government is made for the welfare of the people, and I don't believe there will come a time when any one will really want to overturn it.

[Signed] Harry Truman

Wanderlust

New York

DURING his 16-year grind as a bus driver, Bill Cimillo appeared to have tuned himself to life's even monotone. He was a model employee of New York's Surface Transportation Corporation. Fourteen times a day he shuttled doggedly across the Bronx, making change, replying to the inevitable questions, relentlessly imploring the crush of commuters to step to the rear. He was a good father to his kids—born to the family in a similar methodical sequence. Like the Bronx, Bill Cimillo's horizon was steady if somewhat repetitious.

Except for a tinge of spring, there was nothing eventful about the morning when, at 7 a.m., Bill wheeled out the familiar 44-passenger Diesel to begin his daily chore. But, unaccountably, something prompted him to turn the snout of No. 1310 away from the beaten trail. On the other side of the Hudson, a company superintendent driving in to work was startled to see the shiny red-and-buff vehicle purring southward. Before the superintendent recovered sufficiently to phone an alarm, the runaway and its lone occupant had disappeared down the open road. Police in 11 states were alerted in vain to intercept the \$18,000, vagabond omnibus.

Three days later Western Union delivered a cryptic communiqué to the Bronx: "In Hollywood, Florida. Wire money to come back with. Need money for fuel oil. Will drive back. [Signed] Bill Cimillo." It was all up. Police closed in and clapped the truant into the Hollywood jail, next to the cell of a man who insisted his name was really J. Edgar Hoover. A grand jury quickly returned an indictment for first-degree grand larceny. A New York detective was dispatched to bring back the defendant. Bill Cimillo remained philosophical:

"The fellows at the bus company will understand, I'm sure."

Washington Wire



Dewey v. Truman in '48

THE political prospect in brief is: Dewey will run against Truman in 1948, and win. The qualifications are: Taft may deadlock the convention, when he or a dark horse might be nominated; and Truman might beat Dewey. Neither of these chances seems very likely now.

Truman's Jefferson Day dinner speech indicates his campaign platform. His popularity has been increasing. Short of death, he will be the Democratic candidate. Undoubtedly his position has improved, but Washington observers still think Dewey would have the edge. However, the Republicans seem bent on knocking themselves out, and we must never underestimate their capacities in that direction. More seriously, Truman can't win without the independent voters. Democratic advisers know this. Liberals probably hold the balance of power.

Dewey is an opportunist. Neither GOP politicians nor correspondents like him much. But he is hard, efficient, effective. He didn't get far against Roosevelt; Truman might be easier.

Taft, of course, is a possibility. As Taft introduces his new labor bill he will share the Washington spotlight. At the Lilienthal fight really showed Taft up. Call it what you will, his opposition to internationalizing the atom bomb, his attack on the Acheson-Lilienthal-Baruch program, are really isolationism. It's hard to conceive of the public taking him.

Does Vandenberg have a chance? His development is fascinating. Three years ago he was an isolationist, as conservative as Taft. Then something happened. Vandenberg grew; Taft didn't. But again it's hard to see the GOP picking Vandenberg. Take the Lilienthal fight: most Republicans (31) voted for recommitment with Taft; only 18 supported Vandenberg. Taft still has pretty much a mortgage on the Senate Republicans. In Chicago a Democratic reform can-

didate for mayor, Martin H. Kennelly, has beaten the GOP party hack put up by Colonel McCormick. Observers have long wondered when the improvement in municipal politics that struck New York a quarter-century ago would finally reach Chicago. Kennelly may help it along if the Kelly Democratic machine isn't too powerful. Meanwhile the state GOP is further weakened by the apparent participation of Republican Governor Green in the shakedown of coal operators prior to the Centralia explosion. These are not decisive political factors. But they all illustrate two things: the '48 presidential race may be closer than anybody expected and the power of the independent, progressive vote is thereby tremendously enhanced.

It isn't considered polite to mention corporation profits in Washington news dispatches, and we approach the delicate subject with natural hesitation. As the *Wall Street Journal* noted in a modest paragraph last week:

Corporation profits climbed to an annual rate of \$15 billion in 1947's first quarter, the Commerce Department calculates. That's \$3 billion above 1946 profits. Field offices report businessmen are worried about public reaction to these profits and continued high prices.

You can see that the whole thing is pretty darn embarrassing. First of all, Congress knocked off the excess-profits tax. That was almost its first reconversion measure. It meant billions for corporations. Then the OPA and the price-control system went overboard. That meant present high prices and more billions. Meanwhile generous tax refunds from the Treasury (intended to help business reconvert to peace) were paid out to corporations and actually met a large share of their 1946 strike losses. Now comes the new House tax bill to aid millionaires. More billions here. And all this time the richest market in the world, and profits never before known in war or peace! Well, the thing

can't last. A new wage-price-profits relationship must come. The Easter sales weren't up to expectations, some goods are piling up and retailers like Macy's are swinging over to support consumers against exorbitant manufacturers' prices. What comes next? A big shake-out. How big we don't know, but certainly some unemployment.

Don't think, however, that conservative congressmen are licked. One genial GOP leader in a relaxed moment explained to us all about it. It's going to be a "stabilizing recession," he said. (Isn't that a cute phrase?) There will be maybe eight million unemployed, and that will make labor behave. The real crack-up, however, won't come for five or ten years. And when it does—why, it will be high time to think of increased tariffs. Working men must be taught the danger of foreign goods flooding American markets. Our man seemed quite chipper about the whole affair. And why shouldn't he be, with most newspapers still attacking labor and as blushing timorous about the word "profits" as a Sunday-school teacher is of the word "sex"?

NOTES.—Truman's first veto is likely to be the phony portal-pay legislation, which is actually an attack on the wage-hour law. . . . GOP appropriation-bill slashes, reckless as they are, come nowhere near meeting the proposed cuts in the Truman budget; what may save the Republican's bacon is the Treasury tax surplus still piling up. . . . Western Republicans are in violent revolt against the bill for proposed cuts in the Interior Department; proposed GOP cuts in Army-Navy appropriations are being quietly dropped. . . . All the suits against the OPA chisellers and black-marketeers would be ended under a pending resolution by Representative Dirksen (R, Ill.); this amnesty of course would not extend to conscientious objectors.

Washington

T. R. B.

Henry Wallace

A Bad Case of Fever

W E AMERICANS are not a calm and reflective people. The same traits which built a great nation—youth, vigor, enthusiasm—can be dangerous when turned to evil purpose. Americans, since the foundation of the Republic, have been overready to see Jacobins, Bolsheviks or Communists under the bed. Such hallucinations unbalanced us following World War I, but after a few years, our sanity began to reassert itself. Now the disease has returned. The shrieking of the press, the war whoops in Congress, the foaming of professional patriots, the awful dangers which are hinted at in the recent presidential executive order requiring federal employees to be screened for loyalty—all these are designed to give the average American a fever, a bad case of Red fever. If a man's fever goes high enough, unless you watch him carefully there is no telling what he may do.

Several ways are open to treat the disease. One is to discover its causes, to remove them wherever possible and to offset their damaging effects. The loud noises, for example, made by the press and Congress are clearly continuing to make the patient's condition worse. Admittedly, the noise is difficult to stop, but it might be offset partially by a few intelligible words of common reason.

Another therapy is to pretend to the patient that his hallucinations are justified, that these are real, concrete causes which have made him ill. This is the technique of the witch doctor exorcising evil spirits. To make it more plausible, a few innocent victims are hunted down, flayed and boiled. Presumably, the patient then gets better. This would appear to be what the Administration considers a rational and scientific approach.

To many others, the testing operation, the litmus paper for loyalty which is proposed in the President's executive order, appears manifestly absurd. For one thing, the operation bears no relation to the size of the real problem. J. Edgar Hoover says that when Russia was taken over by the Communists, the country contained one Communist for each 2,227 persons, while today in the United States there is one Communist for each 1,814—the inference being clearly that the US is in more danger now than Russia was in 1917. Even if Hoover's statistics were true—and I do not know where he gets them—he is overlooking other factors which are of overriding impor-

tance. Russia in 1917 was not and never had been a democracy. Her despotic government had been smashed by a great war and the nation was utterly prostrate and helpless. To suggest that 77,000 Communists—on the basis of Hoover's statistics—could take over an American nation of 140 million people is too fantastic to deserve serious consideration.

I share the confusion of many other people in interpreting the President's formula for smelling out Reds in the government. It appears that from now on the Attorney General will form all final judgments on this subject for the American people. We are told that disloyal persons will no longer be tolerated in the government; so far, so good, though there is no clear definition of what is meant by the word "disloyal" either in the President's order or anywhere else. Among the conclusive bases for evidence is to be "membership in, affiliation with or sympathetic association with any foreign or domestic association . . . designated by the Attorney General as totalitarian, fascist, Communist or subversive. . . ." (Italics mine. — H. W.) Now it becomes a little clearer what the President means. The way to determine whether or not a man is loyal is to let the Attorney General declare whether or not he is disloyal. If he is declared disloyal, that shows he is not loyal. Q. E. D.

I S THERE any reason to believe that our witch hunt will be successful? Many thoughtful students of history have already warned us that the best way to make the Communists a real threat is to drive them underground. To this I would add that one sure way to unsettle the faith of non-Communists in their government is for that government to badger and bait innocent men.

Certainly there can be no doubt that every government executive should have the right to dispense with subordinates who have shown themselves incapable of giving undivided, unqualified allegiance and fealty to the oath which they took on becoming public servants. I would not want as a colleague on the *New Republic* one who in his off-hours preached the sermons of reaction; I would not want the contents of the paper leaked in advance to some daily scribbler for another sheet. I have the right to demand that my co-workers be with me, and our government has the right to know that its servants

are members of the same team and are neither scouting nor stooging for another.

In 1798, this country went through a Red scare similar in some respects to the one we are experiencing today. The French Revolution which had recently taken place frightened conservatives in this country quite as much as the Russian Revolution frightens them now. The Alien and Sedition Laws of 1798 were designed to have substantially the same effect as the recent presidential executive order, except that they affected people in private life as well as those working for the government. They prescribed fines and imprisonment for those who combined to oppose any measure of the government, impeded the operation of any law, intimidated any officer of the United States in the discharge of his duty, or uttered or published false, scandalous and malicious statements tending to bring the government of the United States or its officers into disrepute, or to excite the hatred of the people for that government.

In so far as President Truman's executive order tends to punish people for their beliefs and not for their acts, it goes even farther than the laws of 1798; but what was done under those laws remains a shameful blot on our national history. Editors of papers supporting the political party out of power were jailed, or ruined with heavy fines, for writing editorials critical of the Administration. People were sent to prison for heckling pro-Administration speakers at public meetings. Among those who protested these laws were Marshall, Hamilton and Jefferson; and it is probable that the existence of these statutes contributed to the overthrow, at the national election two years later, of the party that had been in power.

JUST after World War I, we had another period of hysteria which, in retrospect, seems to have been equally inexcusable. A group of Socialist members of the New York State Assembly were expelled solely on the ground of their party affiliation. Magazines were held up in the Post Office; others had their mailing privileges revoked entirely. Teachers and ministers were muzzled. Under federal or state laws, people got long prison terms for belonging to "seditious" organizations even though it was proved in court that the individual in question was not aware of the "seditious" purpose of the group. The situation was well described by Katharine Fullerton Gerould in *Harper's* in 1922:

America is no longer a free country, in the old sense; and liberty is, increasingly, a mere rhetorical figure. . . . No thinking citizen, I venture to say, can express in freedom more than a part of his honest convictions. . . . Everywhere, on every hand, free speech is choked off in one direction or another. The only way in which an American citizen who is really interested in all the social and political problems of his country can preserve any freedom of expression is to

choose the mob that is most sympathetic to him and to abide under the shadow of that mob.

In our present welter of fear and confusion there are a few propositions to keep before us—propositions as indisputable in the science of social behavior as those of Euclid in geometry.

We must not forfeit our democracy in the effort to preserve it. Aristotle knew that the way to offset any quality is by the use of its opposite. Hunger is fought by food, cold by heat, intolerance by tolerance, hysteria by calm, totalitarianism by democracy. One cannot abolish the ideas of terror and secret police by the use of terror and secret police.

THE President's executive order seems to me a violation of the fundamental safeguards of Anglo-Saxon justice in that it provides for no hearing in a regularly constituted court, no trial by jury, or review or appeal to the existing higher courts. On the contrary, the execution of this inquisitorial mandate is placed in the hands of people who, on a basis of past record and public utterance, have certainly not been conspicuous for their sympathy with the ideals of freedom of thought and expression.

All past history supports the prediction that any Red hunt which receives official blessing such as is given in the President's executive order is bound to injure many innocent victims. It is undesirable not only from the standpoint of fundamental American ideals of fair play, but on the narrowest grounds of self-interest. If the security of the nation is in danger, if our welfare is at stake, we need more good public servants, not fewer. How many self-respecting men of ability, however deep their love of country, will suffer the risk of being besmirched by individuals like some of those now most active in the effort to separate sheep from goats?

The current witch hunt will tend to drive from public service the man who has ever read a book, had an idea, supported the ideals of Roosevelt or fought fascism. If the President and his advisers are right, it will not keep out of public service the Communists, who are, we are told, so sly and devilish that they can elude detection. It will work against the non-Communist liberal; he will think twice, and more than twice, before he risks being caught in the net which is flung so widely. The new witch hunt will inhibit the free flow of thought and interchange of ideas which are so vital to national security and progress in a rapidly changing world.

We have little to fear from communism if we make our democracy work, if we keep our country fully employed, prosperous and at peace. This is not an easy task; perhaps that is why so many men find it more to their taste to spread hatred, fear and dissension. But easy or not, it is our task. Let us get to it.

H. W.



The Man We Remember

by Henry Wallace

NOW, two years after Franklin D. Roosevelt's death, there keeps returning to me the memory of those great qualities which he had in so large a measure and which today are so lacking in our national leadership. He had, first of all, a surpassing talent for improvisation, an ability to call forth genius to flesh out his dreams. He had, secondly, an overwhelmingly infectious humanity, a quality of affection that radiated from him to his countrymen and was returned with the same intensity. He had, lastly, that huge sense of destiny which grew and grew over the years until it almost completely obscured his human faults and failings and made him, while he still lived, part of the American legend.

Roosevelt was a masterful improviser. He caught at ideas like an artist, absorbed them, implemented them, rejected them as soon as his imagination caught a fresher note that served his broad purposes better. He came to Washington in the spring of 1933, to a city paralyzed by the dead hand of custom and habit. He destroyed the paralysis by rejecting all the patterns of convention and throwing the doors of Washington open to the men whom the "practical" world called crackpots. He arrived with no inflexible code of ideas; within a month he had made our Capital the most powerful center of fresh thought in the Western world. Dreamers and planners, schemers and

politicians, poured in, all of them magnetized by the man in the White House whose eyes sparkled when he heard them talk.

My first conversation with Roosevelt was in the summer of 1932 when he first broached the shelter-belt idea to me. Roosevelt was a great lover of trees; the concept of a belt of trees stretching across the continent and sheltering the arid plains had long intrigued him. He thought the shelter-belt might even change the climate of the continent. Though experts disagreed with him on his concept of climatology, it bothered Roosevelt but little. He wanted a continental shelter-belt and a year later men were planting it. His detailed planning, his mastery of the hard facts that went into grand schemes was sometimes faulty—but the grand schemes themselves were his domain. In a city of small-minded men, he collected them like a connoisseur.

Other ideas came to him similarly from all quarters. He knew that something had to be done quickly to reverse the spiral of deflation. The actual technique was a matter for experts to work out. Homer Cummings, several others and myself were convinced very early that the point of attack on deflation was the price of gold. We felt it must be raised. I suggested that the President call in Professor George A. Warren and James Harvey Rogers (author of *America Weighs Her Gold*). Roose-

velt received them, listened to them and installed them immediately in an office in the Department of Commerce. There he put them to work on the technique of a new gold program and almost overnight the Administration had a new gold policy.

The times were such as to make broad and sweeping acts permissible, and this was the nature of his own temperament. He thrived on sweeping new concepts. It was suggested to Roosevelt that he set up a Commodity Credit Corporation as a possible mechanism for handling gold purchase. We set up a corporation with sweeping powers under the laws of Delaware. It was never used for gold purchase—but it served a dozen other purposes; Roosevelt heartily applauded as we used it to issue farm loans on cotton, corn, wheat. Later it traded extra cotton for rubber and the American people had 20 million extra automobile tires as a result.

The trail-blazer

PEOPLE forget the hard times of the early thirties. Those were the days when farmers in northern Iowa jerked a judge off the bench in a foreclosure case, when a physical revolt of our farming population was going on not only against misery and failure, but against law and order, too. We used the Commodity Credit Corporation to double corn prices with four-percent, non-recourse loans. Roosevelt gave us the green

light and off we went. When Jesse Jones objected to an interest rate as low as four percent, Roosevelt said to me, "Tell Jesse not to be a chiseler."

All ideas were grist for Roosevelt's mind—reciprocal-trade pacts, youth projects, conservation camps, labor-relations boards, agricultural-assistance schemes. As the Supreme Court would invalidate them or as they became outmoded by the passage of a crisis, Franklin Roosevelt would pass on to more dynamic concepts. His enthusiasm for ideas continued to the very end. He delighted in the term "United Nations," which he coined. He zestfully discussed with Winston Churchill the creation of a new world currency the unit of which was to be a "dimo."

The human being

THERE was a radiant warmth about Roosevelt's personality. It touched all who worked with him directly, and reached further to touch the millions who voted for him term after term. He conducted his cabinet meetings with a spirit of joy and irreverence; sometimes I wonder what they would have been like without Madame Secretary.

The Roosevelt charm was a tool of which he was fully aware; he used it consciously. He believed he could talk any man into loyalty, into continuing to work for him despite the bitterness of outside attacks. Sometimes he failed; more often he succeeded. In January, 1945, Madame Perkins was ready to resign her post as Secretary of Labor; she had cleaned out her desk and wound up her affairs. But on inauguration day Franklin Roosevelt turned the full charm of his personality on her and she stayed.

He absorbed his ideas usually in conversation, for he loved good talk. At the end of a day he delighted to sit down with a drink, surrounded by sparkling talkers, and let conversation ripple around him. He loved to ramble himself—about his boyhood, about his travels abroad in his youth, about personal adventures and speculations. From the talk of others Roosevelt would pick choice nuggets of information, well turned phrases, novel suggestions that he would incorporate into his own speeches and thinking.

His mind, like a curiosity shop, stored

up odd items—of fact, history and folklore. Its diversity astonished some of the more plodding and pedestrian politicians, who would stand wrapped in wonder while Roosevelt aired his enormous fund of accumulated knowledge.

His geniality and warmth knew no self-consciousness. I remember accompanying him on a trip to the drought area in 1936. His entourage would stop its inspections from time to time to talk to the stricken farmers and Roosevelt would speak to them in his polished Harvard accent. Never for a moment did he seem to suspect that this was not the authentic idiom of the plains, nor was there ever a hint of patronizing or a trace of self-consciousness. And the farmers loved him for it.

Perhaps the most startling of all the intimate qualities of his mind was his spectacular spatial memory. He could remember strange streets, bays, oceans, harbors, countrysides with almost total visual recall. During the war his knowledge of maps, distances and physical barriers was invaluable. (Usually, he was right, but sometimes he was wrong.) He remembered the depths of waters on marine charts, the heights of mountains, the quality of roads and highways. He loved to draw plans of buildings; he drew rough ones for the construction and placing of many a new building in Washington. Some he loved; others, like the Pentagon, he loathed.

This quality he extended to his vision of America, as a country. No man saw the nation more clearly as a geographic whole than Roosevelt did. He thought of it in terms of watersheds and rivers rather than in terms of states. He could catch great geophysical ideas quicker than any other man with whom I worked in the government. I remember bringing to him the original program of the soil-conservation districts. He grasped the idea instantly and the next day we had his letter, setting forth our ideas as to a state law, on its way to each of the 48 Governors.

His conviction of destiny

ROOSEVELT always had with him, too, the special conviction of destiny—that his was a great age of history, and that he was born to act in and dominate these times.

The world beyond America closed on Roosevelt gradually. For years he toyed with the idea that Italy was friendly, that the fascists in Europe did not mean to fight for keeps. It was only by degrees that the conviction grew on him that this was a struggle which must eventually strike at American security and American destiny. And as the conviction entered his thinking, it gradually stole from him his lightheartedness.

It was not until the spring of 1938 and the Austrian crisis that Roosevelt realized that this was a time of war that might sweep America with it. From then on, with the conviction of struggle to come, Roosevelt maneuvered deftly to make ready his people. Hitler and Mussolini were mad dogs susceptible to force alone, but the American people were unaware of it. It was true that Roosevelt did not force through appropriations heavy enough to meet the dangers that were clearly developing, that he did not stockpile sufficient materials to meet inescapable demands. But Roosevelt had the politician's master sense of what was possible. He stood between the reality of the outside world, whose dangers he understood, and a people who lived in blithe ignorance of all these dangers. His great consideration was to create public opinion that would tolerate even a minimum of preparedness.

Free men in a free society

THE war itself oppressed him. He disliked the easy bandying about of the word "victory" in government drives. At times he seemed moved by a feeling that America might possibly fail in her goals. "This is going to take everything we've got, and even then we may not win," he said soon after war broke out.

Perhaps not even during the war did Roosevelt evolve a complete philosophy. He played by ear, conscious of all the conflicting elements he led, seeking to reconcile them in each new crisis by new ideas and fresh thinking. I believe that any other approach to the problems of his times would probably have failed. His unending search for an ever new equilibrium in men and affairs beyond the confines of a doctrinaire philosophy may, I think, in itself have been the approach to a philosophy for free men in a free society.

Report from Athens

by Constantine Poulos

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THE sudden death of King George II will have no immediate effect on the internal situation in Greece. In the long view, the ascendance of Prince Paul to the throne is bound to aggravate civil strife here.

King George enjoyed the full confidence of the British Conservatives and of the British Foreign Office. Prince Paul does not. The late King more or less kept himself quietly in the background of the current Greek political scene, adding nothing except a passive acquiescence to the extreme policies of the royalist right-wing government which acted in his name. The new King is not likely to stay out of the picture.

Whereas King George tried to maintain the fiction that he was the Chief of State and not the leader of a political party, it is believed that Prince Paul will openly and actively support the Royalist Popular Party and will strongly encourage the continuation of the present Royalist government's "dynamic policy" which seeks to outlaw the Republican Left and most of the Center. This conclusion is based on Paul's past record.

Although he need not have taken an active role in the prewar dictatorship, Paul was the willing leader of the fascist National Organization of Youth which had been established by General John Metaxas, the dictator, in 1936.

His advisers at that time, during the war and after the liberation of Greece, have been the leftover extremist elements of the Metaxas dictatorship, most of whom the Premier of the Greek Government-in-Exile, Emanuel Tsouderos, eventually removed from office.

The greatest influence on Paul, who is not noted for his ability to make up his own mind, is his pretty little wife, the German-born Princess Frederika,

whom he married during the pro-German dictatorship. She is clever, capable and an extremely ambitious woman. A centrist newspaper once characterized her as a "strange mixture of the Hohenzollerns and Hitler." In Egypt, during the occupation of Greece, she kept herself in the limelight organizing relief activities and social benefits, while, in the background, she actively mixed in the bitter Greek politics.

Back in Greece, following the plebiscite last September, the Princess led Paul all over Greece on public appearances. Anxious to eradicate the German stigma, she went out of her way to wear the national costumes of the various provinces they visited. In Athens, she has cleverly cultivated all foreign diplomatic circles and was particularly useful in impressing important foreign visitors with the justice of the Royalist cause.

Liberal Party circles are already indicating their increased uneasiness over Paul's ascension to the throne and are insisting that their opposition to the Royal House of Greece, all of which they consider implicated in the establishment of the Metaxas dictatorship, will continue unabated.

By fate the royal succession took place in a week which was also a turning point of British ascendancy over its historical Balkan outpost. For the first time since mid-October, 1944, there were no British sentries standing guard before the various buildings in Athens housing British military units—a sign marking the end of Great Britain's political, military and economic prominence in Greek affairs and the failure of British policy in Greece.

British policy was based on Winston Churchill's insistence that only the Greek Royalist right wing could hold Greece within the British sphere of influence. The acquiescence by the British Embassy here and, by the British military to the policies of the Greek right wing has always been taken in Greece as a positive endorsement of these policies and as an encouragement to go further. In time, the Greek monarchists, who had practically no mass following left when the liberation took place, were strong enough to ignore their British patrons.

THE new King, who has no Greek blood and has spent less than seven of the last 24 years inside the country, faces a nation divided and impoverished and a weary people who are cynical and bitter. Upon him now rests a great deal of the responsibility of whether that division and the poverty

and misery are to be continued. Besides the Royalist right wing, the King will also have most of the army and the gendarmerie officers, who are themselves a state within a state, on his side:

This is a government which, by its refusal to exercise any internal controls or to concern itself with economic planning, has indicated a complete ignorance and indifference to the needs of the Greek people, and has driven thousands of them into the ranks of the extreme Left.

The Greek Left, full of plans and a program for the economic reconstruction of the nation, is now on the outside looking in, and its supporters are naturally prepared to use the help of the "north" (the guerrilla movement in the mountains) to get on the inside. That is a strong, well-disciplined movement whose Socialist proposals are gaining additional support daily; and the government's negative policy of attempting to ignore or annihilate its members only succeeds in making them stronger.

The ascension to the throne of Paul will not slow down the unswerving campaign of the Left against the monarchist Right. Today, most of the Greek people would follow a moderate Socialist policy if any strong party could break through the morass of the present political scene. But virtually every Greek feels that in this day of big-power politics he must go along with the parties that have the wholehearted support of either the Eastern or the Western powers.

Inevitably this weakens the moderate and liberal parties and their leaders.

INTO this picture now steps King Paul, a headstrong but not particularly bright young man who has been preparing himself all his life for this hour. Very few people in Athens are hopeful today that he will take the sanest course of action, which would be that of leading a bloodless solution to the problems of Greece.

Although fretful over the immediate future, these observers say that the ascension of Paul to the throne may have significant results in that his anticipated reactionary policies will bring matters to a head much sooner than if King George II had lived. Paul's background would appear to bear out their predictions that he will take a much more active part in the government than his brother did, and that he will press for strong-arm handling of affairs, and that this may lead to more oppression and to further reductions of civil liberties.

How Much Did We Make This Time?

by Harold Wolff

Patience, a degree in accounting, and a cynical nature are needed to pry the truth out of annual corporate reports

THIS YEAR, about twenty million "see-how-wonderful-we-are" gems, otherwise known as Annual Reports, will wend their way to the owners of United States corporate business. How many avoid the quick road from mailbox to wastebasket, no one will ever know. But these documents, the products of some of America's brightest business brains, deserve something more than the indifference with which they are often rewarded.

So great a degree of care, ingenuity and pure art is lavished in the preparation of most annual reports that by now their appearance has become as fiercely competitive as Hollywood. Each year the *Financial World* offers awards for the best reports in each industry, and the boys vie for them as producers do for Oscars.

Some reports, to be sure, are pretty dull stuff. The American Agricultural Chemical Company takes only four prim pages of figures to tell its stockholders its 43-million-dollar story. On the other hand, the Diamond Match Company once went to the length of 272 pages of lushly illustrated text to tell its tale of the great north woods and the lore of the lumberman. General Mills this year produced a supplementary report in the form of a Technicolor short.

Harold Wolff served in the Overseas Branch of the OWI during the war and is now an economist for a large national corporation. As a free-lance writer he has contributed to Life, Liberty, Coronet and other magazines.

Pepsi-Cola's president, Walter Mack, invited stockholders to a series of "Pepsi-Cola family parties" at which the annual report was discussed and sandwiches and Pepsi-Cola were served to all.

The annual report is supposed to tell the stockholders, with appropriate figures, how well or ill the business they own has fared and what its prospects appear to be. But in setting out to do this it finds itself caught in a dilemma over how much or how little to tell. On one hand there is the older close-fisted business tradition, nurtured in the front office, of telling little or nothing. On the other there is the newer approach of the public-relations chief, who has a story to sell and wants to make the whole world share his enthusiasm for the ins and outs of his business.

After all, the public-relations man tells the corporation, every firm listed on the exchange has to file with the Securities and Exchange Commission a form, 10K, that must make a lot of relevant information available to the public. Why not, then, let the president take down his corporate hair and tell the folks something about the company? About the outlook for next year? About the new plants? About the new products? Why not let the president make a statement about how taxes are stifling business? Why not dress the whole thing up pretty? Reproduce a George Inness on the front cover in full color, like General Foods. Or maybe both Technicolor like General Mills and sandwiches à la Pepsi-Cola.

But the difficulty is that you cannot tell five, 10 or 100,000 stockholders just how you are managing their business without making the same information available to the curious eyes of labor leaders, consumers and competitors, all of whom are constantly trying to learn everything they can about how you do things. Can National Dairy tell how much it is making from its textiles-from-milk Aralac operations without whetting the appetites of other milk companies? Should Coca-Cola discuss with its stockholders the runs, hits and errors of the Atlanta baseball team which the company owns? Should General Tire discuss the plans for its six radio stations? Is silence really golden, or is it wiser to talk?

All the ultimate answers that appear



Drawings by
Robert Osborn

ONE SELF-PORTRAIT FOR THE TAX PEOPLE—ANOTHER FOR THE INVESTOR

in the reports the mailman brings are whipped into final shape in the public-relations office of the corporation. There, during annual-report season, one of the classic rites of American business is consummated. Behind an array of paper cups and butt-littered ashtrays cowers the director of public relations. Through the haze he hoarsely argues with himself about the net figures. "It's too much. I can just see the headlines: 'All Time Profit Record Topped Again By. . . .' No, we've got to bury it somewhere. . . ." By now his assembled staff is feeble from weeks of this same procedure, but not too weak for someone to remind: "Yeah, but the boss says we got to show a better earnings ratio than. . . . Yeah, I know. . . . But, God, when the goddam union sees. . . . And the League of Women Shoppers called again today. . . . Yeah, I know. . . . Oh, what the hell, pour me another, Harry."

Behind those dull columns of "Assets" and "Liabilities" there are drama, blood and sweat—and many a stomach ulcer. Usually the making of the annual report starts with a memorandum addressed to each of the company officers, asking for suggestions. Then the fur starts flying. Smith, with an eye on that soon-to-be-vacant first-vice-presidency, wants it proclaimed to the world that his new synthetic-girdle operation is doing 12.6 percent of the gross but earning 17.2 of the profit. Jones, whose corset operation is going the way of all flesh, would just as soon keep the details unpublished. Brown, whom the boys call familiarly "vice-president in charge of finger waving," mutters something about "why tell the bastards anything?"—the epithet including broadly the stockholders, the competition and, of course, the union wage negotiators.

A product of artistry

OCCASIONALLY, there emerges from this miasma a real triumph of public relations over the hush-hush, or ostrich, attitude. The annual report of the Caterpillar Tractor Company is frankly

addressed to both stockholders and employees. Assuming a normal interest and IQ, it can be read without the aid of slide rule or logarithmic tables. It shows how Caterpillar business is related to national trends in business volume, in employment, in wages. The same high standards are to be found in the current Borden report, which, in addition, offers the most informative breakdown of sales in the history of large corporation reporting.

But these are exceptions. The reader who plows through an average report is dealing with the product of artistry rather than of factual technique. A group of extremely shrewd men have tried to arrive at a compromise which will satisfy the stockholders' curiosity while revealing no information of vital importance. This practice has led the dean of the American accounting profession, George O. May of Price, Waterhouse and Company, an outstanding firm in this field, to warn that one of the great dangers of our present financial setup under the SEC is the mistaken idea that stockholders are now necessarily better informed than they used to be. Another highly successful public accountant, Kenneth MacNeal, writes that, "The publication of a profit-

and-loss statement which is complete and truthful in the economic sense must be a rare accident." And the American Institute of Accountants has urged the New York Stock Exchange to "bring about a better recognition by the investing public of the fact that the balance sheet of a large corpora-

tion does not and should not be expected to show the present values of the assets and liabilities of the corporation."

For those who want to learn how to read annual reports, a guide is offered by H. A. Finney, Ph.B., CPA, a noted accountant and teacher with long experience in the preparation of these documents. He says, "Read them with a grain of salt," and adds these warnings:

1. Some men are liars.
2. Two equally able and equally honest accountants may differ widely.



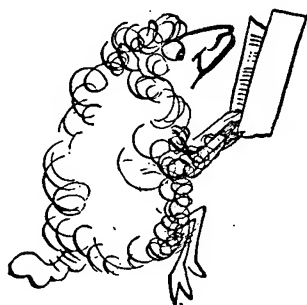
WHICH PAGE DO YOU READ?

First, as to the ugly matter of lying. Every annual report bears some kind of "certification." This is a sort of invocation by the accountants who audit the report, and, on the surface, sounds like a promise to tell the truth, the whole truth, and nothing but the truth, so help them God.

Once over lightly

ON close examination, the letter of certification often reveals what the auditors do not wish to be held responsible for. Thus in the current GE report the auditor's letter says: "We have examined the balance sheet of the General Electric Company . . . without making a detailed audit of the transactions." This rather frank statement points up the fact that the independent auditors who prepare the annual report often merely review the company's figures and see to it that they have made no mistakes in arithmetic. And, at that—in the case of GE—they want it known that they did not confirm the details; they saw only the gross totals after the corporation's high-level accountants had finished setting the figures.

To take an extreme case of what "certification" may actually mean, remember the famous McKesson and Robbins swindle which came to light in 1938. Over a period of many years the firm's president, an ex-convict operating under an alias, had defrauded his



firm of millions of dollars and had manipulated accounts so as to conceal his thefts. But in 1938 Price, Waterhouse had declared to the stockholders that the firm's accounts "fairly present, in accordance with accepted principles of accounting . . . the position of the combined companies. . . ." This is, actually, no reflection on the honesty or brightness of the Price, Waterhouse accountants. It merely dramatizes just how little the auditor's certification may mean on the annual report you got in the mail this morning.

Who's right?

AND how much should you rely on the glowing statement in which the company's president invariably damns government interference with business, but always promises—even in spite of such interference—to turn up a good profit next year? On that touchy subject, Arthur Stone Dewing, one-time professor at the Harvard Business School, writes in his classic *Financial Policy of Corporations*: "Financial literature abounds with well authenticated cases in which the same directors, who were outwardly seeking to support the company's credit by persistent reassurances to the stockholder, were at the very same time selling their own shares and even hastening the inevitable catastrophe by selling stock short." Fortunately for your peace of mind, though, the most flagrant examples of such practices belong to the days before Franklin D. Roosevelt and the New Deal.

So much for Dr. Finney's warning

that "some men are liars." But outright dishonesty is not the major obstacle in the path of an eager annual-report reader.

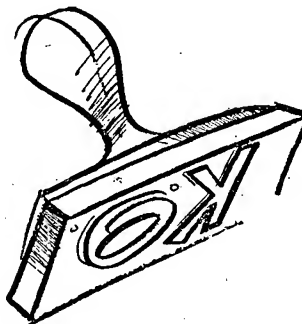
Of much more concern is the caution that even honest men differ widely on accounting practices. The varying techniques make presentation of figures to suit the purpose at hand surprisingly easy. This appears most clearly when a corporation wants to develop two different figures for two different purposes. In 1940, for example, Western Union, in order to show a high profit to its stockholders, told them in the main body of its annual report that only \$8.2 million had to be set aside for depreciation. In the less well read tax section of the same report, however, Western Union admitted it had reported a depreciation reserve of more than \$11 million to the government in order to lessen taxable income. The contradictory figures were developed by equally legitimate accounting practices. Only Western Union knows which, if either, figure was correct.

Or take the case of Amerada Petroleum, a small but definitely blue-chip oil company. Its annual report is a thing of beauty, and—on second glance—of wonder. It lists splendid earnings and handsome profits. The company has not missed a dividend since 1922; and

in 1944, with gross profits of \$17 million and a net of \$5 million, it raised its dividend from \$2 to \$3 a share. But its stockholders' report for that year showed no item for taxes on income or surplus profits. This caught the eye of one keen investment analyst, who looked into the detailed report which the company had filed with the SEC. There he found that Amerada actually had paid \$200,000 in taxes, but this was less than it had paid in previous years when its income was lower. And it had paid no excess-profits tax at all.

The answer to this is another study in accounting legerdemain. It so happens that each year, any oil company can claim that its oil properties have been depleted by 27.5 percent of its gross income. The fact that after four years, this figure of depletion comes to 110 percent has never seemed to bother Congress, solicitous for the future of the oil companies. In addition, by law Amerada is permitted to charge off costs of developing new wells as operating expenses, though the rest of us would have to list such expenses as capital outlays. So, by these perfectly legitimate deductions, Amerada was able to show a pitiable state of affairs to the government. But to its stockholders, everything was rosy. But what if its report to the government is nearer the truth? What if it is really depleting its oil reserves? What if its extensive drilling operations strike nothing of value? *Fortune*, after analyzing Amerada's success with a not unfriendly eye, added that "Amerada's present affluence and serenity are also due to luck." If luck should run out, those annual reports are going to look awfully silly.

But these are special cases, each with its own peculiarities. What can be said in general about the figures presented in the ordinary annual report? As George O. May puts it, they are "the reflections of opinions subject to a wide margin of error." And accountants differ furiously among themselves in their opinions. Suppose, for example,



TRY FIGURING IT OUT FOR YOURSELF

you look down the column of figures in an annual report and note that a dividend was paid out of capital surplus. An innocuous enough item, you might think. William Wrentz, an SEC accountant writing in the authoritative *Journal of Accountancy*, not only gives the practice his blessing, but adds that "no one will dispute the arguments in favor of dividends from paid-in surplus." But if you asked Colonel Robert Montgomery, another noted accountant and author, his opinion of this practice, he would say, "It comes close to moral turpitude." W. A. Paton, an outstanding teacher of accounting, would tell you that "such a dividend deserves the general condemnation accorded it by accountants," and that "it is deplorable that it is given legal sanction."



V.P. FOR GIRDLES

Any accountant can take you on a guided tour of an annual report and kick each figure around for hours, if you can follow the intricacies involved.

Some of these items are of such importance that a variation in accounting procedure can change the entire impression of the report. Consider, for instance, the innocent item marked "surplus." Using one method of accounting this item, the Radio Corporation of America reported a net income of \$95 million in the 14 years from 1922 to 1935, an annual average of \$6.8 million. But if they had followed a more conservative and more orthodox procedure in handling their surplus account, their average net income for the period would have appeared as \$700,000 a year, or about one-tenth of what they actually showed in their annual report.

Light for the layman

THIS is, of course, highly technical stuff. But it has wide implications. The stock of RCA—thanks to its annual-report policy—was one of the leaders in the market speculations of the late twenties, and also one of the leaders in the pell-mell collapse that followed.

But, if annual reports are so full of intricacies, is there any point in looking at them or studying them at all? The answer, gleaned from talking to a cross section of accounting professors and public accountants, is—yes and no. Professor Edwin Frickey of Harvard, one of the country's outstanding teachers of the subject, gives a famous course in which students spend months analyzing just a few corporation reports. And an investment analyst will take weeks or even months to reach any conclusion on the meaning of a single annual report. What about the rest of us?—T. H. Sanders speaks for the professional accountants when he cautions: "As for the man in the street or 'the casual investor,' no sensible person will assume the responsibility for proposing any

accounting procedure whatever on the ground that it will place these financial dilettantes on an equal footing with serious students of the subject."

In case you don't want to be on an equal footing, but would just like to get some idea as to how your pet corporation is doing, what then? In the first place, never look at one year's figures alone. It is the comparison with

past figures that sheds some light on what the company may do in the future. Then if you are really to understand any one company, you must first have some idea of the entire industry in which it functions. So get the reports of other firms that are in the same or a similar business. A little study of the over-all problems and prospects of the industry will help, too. For example, the present crop of rubber-company reports will make little sense to you unless you are well up on the debate now going on in Washington over future government policy in the buying of raw rubber and the development of synthetics.

And when you have done all this, there is one more thing to remember: a company's earnings may have no relation to the strange behavior of its stock in the market. Otherwise, all accountants would have retired long ago as a result of successful speculations. The fact that most of them still work for a living should prove to you that not even a professional understanding of annual reports will enable you automatically to pick a winner.

And, finally, remember that the public-relations director who prepared the annual report had you in mind. For in the last analysis, the annual report is a public-relations device whose theme song is "love that corporation." And as Dr. Frickey puts it to his students, no annual report ever took the place of an extra dividend.



NOW YOU SEE IT, NOW YOU DON'T

Report from Chicago

by Herman Kogan

APRIL 1 was April Fool's Day for the Republicans in Chicago. Having grabbed important Cook County offices from the Democrats in last November's election, a combination of over-confidence and dizziness tripped them up in the contest for the key city's mayoralty, with the result that Democrat Martin J. Kennelly came through with a plurality of 275,000 over his bumbling Republican opponent, Russell W. Root.

Although some Democratic observers were quick to detect a trend in the Republican defeat, actually Kennelly's election has more significance locally than nationally.

Last winter McCormick and Governor Dwight H. Green had handpicked Root because he was ready to respond to the slightest crooking of a big shot's finger. An unknown precinct captain in an upper-middle-class South Side ward three years ago, Root had held minor state jobs; and whenever he opened his wide mouth he seemed to be reciting the latest *Tribune* editorial. Believing that old Boss Ed Kelly, or at least one of his protégés, would be Root's foe, the Republicans had prepared for another slaughter in April.

But that political wise man, Colonel Jack Arvey, Kelly's successor as boss of the Cook County Central Democratic Committee (see the *NR*, March 24), crossed them up. It was time, he said, to pick a non-machine man, free from the taint of professional politics as practiced in Chicago. And he chose Kennelly.

*A Chicago newspaperman for 15 years, Herman Kogan is the co-author of *Lords of the Levee*, a political biography of Bathhouse John Coughlin and Hinky Dink Kenna, Chicago's famed First Ward aldermen. During the war he served as a Marine combat correspondent.*

The Republicans, caught off-guard, were bewildered. Here was a foe who had actually fought the Kelly machine in previous elections; a genial, silver-haired bachelor of 59 with lots of sincerity, ideas and audience appeal; a successful, wealthy, conventional businessman; a candidate who said firmly, in accepting the nomination: "I have not made nor will I make any commitments to anybody. We must get away from the idea that the government belongs to a party and realize that it belongs to the people."

As a result Root rode off in a dozen directions. He called Kennelly a "political faker" and a "sham independent." He insisted that Kennelly discuss the "issue of the hour—the clouds of World War III." Before Negro voters the Republican speakers blamed the local Democrats for the Bilbos and Rankins. Representative Alvin O'Konski, the Wisconsin spellbinder, was imported to advise the Polish constituency that a vote for Martin Kennelly would make Joseph Stalin very happy. In Jewish neighborhoods Root spoke for a "free Palestine." "Curly" Brooks, McCormick's Senator, hustled in from Washington to let the people know that Kennelly's election would be the signal for a third World War.

Root did manage to discuss local issues. But a good deal of his oratorical fire was concentrated on American foreign policy, a matter in which many Chicagoans have a deep interest except when they are looking for someone to clean up the streets and alleys, solve the traction mess, improve the woeful schools, reduce taxes and build houses.

As amateur politicians often do, Kennelly waged a clean, intelligent campaign. He stayed away from official party headquarters, had no manager, and came forth with concrete proposals for stimulating home building, solving the traction tie-up, constructing super-highways and subways and strengthening the civil-service system.

In the closing days of the campaign, a tragedy in downstate Illinois put the torch to Republican hopes—if any still existed. An explosion in a Centralia mine trapped 111 men. GOP Governor Green's appointees were charged with negligence in enforcing safety rules; a pathetic letter from miners before the blast had been sent by Green into laborious "official channels"; the papers started yelling for Green's impeachment.

"The whole god-damned house of cards is falling in," grumbled a Republican press agent a few days before the election.

Kennelly's was a personal triumph rather than a victory for the Democratic machine. His running mates, city clerk Ludwig Schreiber and city treasurer Joe Baran, both regular party men, had pluralities of little more than 100,000. In the wards, Democratic aldermen were mowed down in two's and three's. In heavy Democratic sections, there was little difference between Kennelly's vote percentage and those of Kelly in earlier elections; but in Republican wards the Kennelly percentages had leaped from six to 12 points higher than Kelly's had ever been.

An old-timer from the city's rollicking First Ward put it this way: "You can't win with just any guy. Them days are over when you can put up some stooge. Maybe the people are gettin' smarter."

BUT it would be an error on the part of national Democratic leaders to think that the Kennelly triumph was a complete repudiation of McCormick isolationism. Certainly, thousands switched allegiance on Election Day. That does not mean, however, that these thousands would refuse to vote for an isolationist Republican Senator or Representative—or even a President.

It does mean that on strictly local issues the McCormick cry of nationalism amounts to but a whisper. It does mean that the hackneyed technique of dragging in red herrings at mayoralty elections doesn't always work in Chicago.

Just as the election shoved Governor "Pete" Green out of the running as a vice-presidential possibility and surely damaged McCormick's standing with the Republican hierarchy, so has it suddenly brought Kennelly to the attention of the Big Democrats.

Already there is talk of grooming him for "bigger things." "A natural," the boys call him. At the moment, Kennelly is neither ready nor willing to yield to such temptations.

For he has carved himself a mighty job of building a "Chicago whose greatness will be unchallenged throughout the world." Unless he is very naïve, he must realize that one of the hardest parts of that job will be to convince the remaining members of the Democratic machine that he meant what he said about "no favors" and "no commitments" and of being "the people's mayor."

Kennelly is no Fiorello H. LaGuardia, but he is the most hopeful, encouraging thing that has hit the rough, tough town in many decades. Even if he fulfills only half his promises, he probably can stay in City Hall as long as he wants to.

Follow the Leader

by Dale Kramer

Big John Lewis' mine workers have followed him unquestioningly through ups and downs, but their patriarch is aging fast

WHEN John L. Lewis climbs out of his limousine these days he comes down hind first, gripping the door jambs and distributing his sagging weight carefully between the heels and balls of his feet. If there are no photographers at whom gayly or threateningly to flourish his heavy cane, he uses it for what it was made. The auburn mane has turned a lank gray and the full cheeks hang in ashen, seamy pouches.

This slow and creeping change is reflected in the conversation of political and labor insiders when they sit around discussing the future. They used to speak of Big John Lewis. Now it's Old John.

He is a patriarch, and the 500,000 miners over whom he rules are his family. Again on April 1 they showed how closely they hang together when they quit work for six days in mourning for the 111 members of their clan who died in the Centralia mine. And once more they also demonstrated their unquestioning obedience to the aging lord who tells them when and when not to work.

If anything, age has increased the regal quality of Old John's passage through the hushed and lofty halls of the Mine Workers' Building in Washington. For anyone to halt his stately

promenade would be a disastrous breach of etiquette. Men who called him "John" or "Jack" are mostly either in the ranks of the hated CIO or too old for duty. Those remaining address him as "Mr. Lewis," and they maintain the respectful title when talking about him, perhaps even in their secret thoughts. An official in the same building may spend two or three days obtaining an appointment. When one showed up on a hot day dressed in slacks, word came down through channels that Lewis considered such garb undignified.

Insiders refer to Lewis' vast office on the fifth floor as the Throne Room. He is not opposed to the analogy. "Why, gentlemen," he once told a convention,

"there isn't any mincing, lackadaisical, lace-pantied gigolo going to dethrone John L. Lewis in his own organization and in his own convention."

To labor leaders the term "king" is not exact. Neither is "boss." Nor the "sacred leader" of miners' convention resolutions. After three decades, Old John is the United Mine Workers of America.

The dutiful dispatches of newspaper reporters during every strike telling of cracking miners' support are therefore looked upon as old jokes. Labor men are not impressed by the view of the Supreme Court's decision as a stunning blow necessarily breaking Lewis' grip. What they know—and the reasons for their conclusions are set down herein—after—is that the miners will do his bidding.

And so, the terrible pride of Old John being well known, labor men see the miners' union in peril. The danger will not pass with the resolution of this crisis or one or two more. Lewis is 67. No medical report is necessary to reveal his failing health—the camera does it.

The death of Lewis and the attendant confusion among palace sycophants, coupled with widespread unemployment and enemy attacks, could, even without a disastrous strike, destroy the union which for almost half a century was the vanguard of American labor. Maybe it still is.

The plumed figure of Old John largely obscures the fact that the



HOME LIFE: THERE ARE THOUSANDS OF SUCH MINERS' SHACKS

As a correspondent for Yank, Dale Kramer covered the Pacific and the surrender of Japan. He is now a free-lance writer and has contributed to Harper's, Esquire and the Nation.

coal miners are still third or fourth-class economic citizens. The soft-coal miner's average daily wage is \$11.85 for nine hours. That is for a five-day week; the sixth day, if worked, calls for time-and-a-half. Since miners want to pile up cash and the operators coal, most pits have been working a six-day week. The average steelworker's pay for nine hours figures \$12.44. Auto workers get \$13.01.

Sudden death

WAGE comparisons tell only a part of the story. Working conditions in the mines—floating coal dust, water often knee deep—are dismal enough. In addition, the miner faces startling dangers. Big mine disasters get headlines, but scattered fatalities escape notice outside the mining camps. Consequently, when Old John thundered during war-time that coal digging was more dangerous than armed service, most people thought he was only beating his gums again.

He was not. In the years 1942-45 inclusive, 5,295 men were killed in the mines and 259,408 more were injured. That averages a little more than one dead or injured for every two miners. Armed-forces battle casualties over roughly the same period were a little less than one per 14 men. By entering the service a young miner thus greatly reduced his chances of getting hurt.

Auto workers suffer only about one-fifth as many accidents as miners, and severity figured in man hours lost is roughly one-fifteenth as great. The miner is also a major sufferer from occupational diseases. His working days are made miserable and his life shortened by lung afflictions (he calls them all asthma) and by cramps and rheumatism resulting from floor water and damp air.

A medical survey of conditions in mine towns was part of the welfare program negotiated by Lewis last year in his famous "agreement" with Interior Secretary Krug. The Navy sent medical officers, engineers and social workers throughout the mine fields. Advance reports indicate that conditions have improved little since 1923, when the last survey was made.

The demand for a welfare program was something new for Lewis. The only such program he ever had was a large



THE COMPANY STORE OFFERS A PLACE TO MEET AFTER WORK

cash box which he kept near him. If someone turned up with a hard-luck story, or a moving letter from a widow came in, he reached munificently into the box and hauled out a \$10 bill.

The survey doubtless will pay dividends, but cash is something Lewis understands better, and he insisted on getting some placed at once in a welfare fund. It is still there, most of it lying in a New York bank.

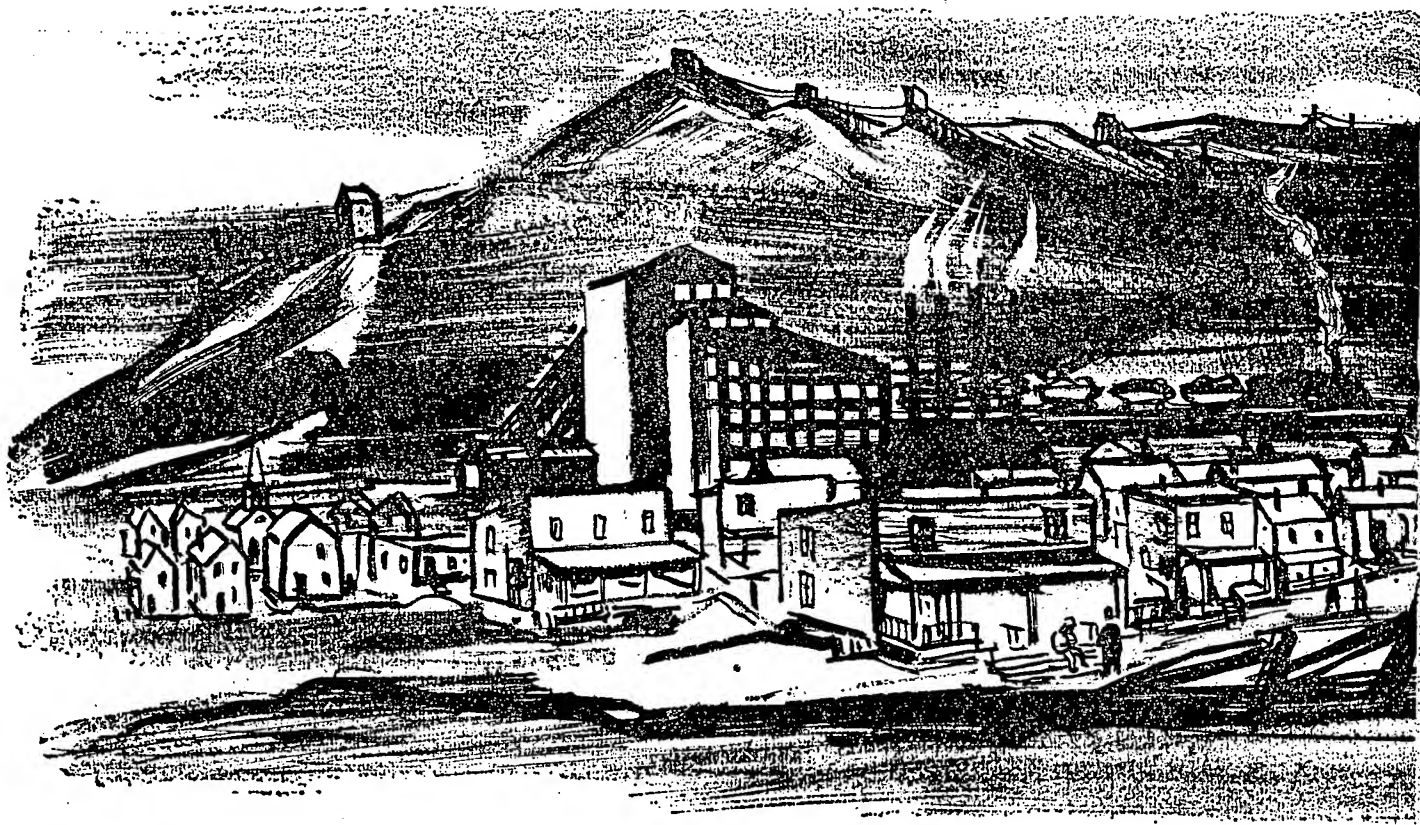
Operators are required to contribute five cents for each ton of coal mined. The welfare fund will receive roughly \$30 million a year if production holds up. Considering the thousands of disabled and decrepit miners in the fields and the high accident rate, that amount will not go far.

Miners hailed the agreement (which included a vacation clause worth \$100 a year), but, with the cost of living shooting up, they were none too happy. Besides, they had begun to worry over

the future of the coal industry. Layoffs in the hard-coal fields were commencing and they wondered if only the threat of strike held up employment in the bituminous mines. The early thirties, when two working days made a good week, are fresh in memory.

There is, too, the fear of increased mechanization. Strip-mining, which employs great earth-moving machines and requires comparatively few men, accounted in 1945 for 19 percent of bituminous production compared with 6.4 percent in 1935. The portion of underground output cut by machines rather than with hand picks rose from 84.2 percent in 1935 to 90.8 percent in 1945. The increase in mechanical coal loaders was greater—from 13.5 to 56.1 percent. All together, net production per man per day went up from 4.5 to 5.78 tons in the 10-year period.

Increased use of coal substitutes causes additional worry. In 1935 coal supplied



TYPICAL PENNSYLVANIA ANTHRACITE TOWN: FLARING FURNACES, COMPANY SHACKS. HUDDLE

51.7 percent of all US energy requirements. Ten years later it provided only 46.4 percent. Goose-pimpling talk of big and little-inch pipelines for carrying oil and gas is therefore understandable. Some petroleum companies are experimenting with extraction of oil and gas from coal, believing the process may be cheaper than piping them out of the ground. But no one knows whether it will work, and if so, when.

The making of a dictator

How did it come to pass that half a million coal miners obey the orders and often the whims of a single man? Lewis has headed the UMW—in fact, if not at first by title—for 29 years, more than half its lifetime. But men have held long tenure in other unions without approaching his power. Part of the answer can be found in the century-long struggle of miners to hold their unions in the face of merciless and devious onslaughts.

The mine owners set one part of the pattern as early as 1849, when they bought out John Bates, leader of Bates's

Union, the first US miners' organization. They set another in the middle seventies by putting the law on John Siney, head of the National Union. The prosecutor thundered: "John Siney . . . did assist in this combination of miners for the purpose of raising wages, and it is your bounden duty under the provision of the law to bring in a verdict of guilty."

Another area of the pattern was stamped a few years later when Pinkerton detectives were sent as labor spies into the Molly Maguires, a secret band of direct actionists. The calculated violence of private-company armies and bribed officials was used against the National Federation of Miners, organized in 1885, and it was stepped up after 1890 when the miners' faction of the Knights of Labor joined with the National Federation to found the present United Mine Workers of America.

Solidarity was the miners' major counterweapon. When an able, incorruptible leader arose, they had a tendency to idolize him. They did it with John Mitchell, who even yet is given a

"day." And even that sensitive, mild leader stepped out in 1908 after only a decade to accept a better-paying job with a semi-employer group—though he quit when the miners objected. John L. Lewis has been accused of taking power, but never bribes.

The miner's way of life was, and is, another compulsion for allegiance to personal leadership. What man could labor 12 to 16 hours a day, six days a week, often on his knees swinging a pick, and have time for analyzing complicated issues? In nearly half of the miners' homes the official *Journal*, a powerful advocate of Old John, is still the chief reading fare. At the same time the "operator-dominated" public press is distrusted.

But the greatest factors in the present organization of the UMW are the personal qualities, character and ability of John L. Lewis. The general public's simple view of him as a combination bruiser and ham actor is not shared even by enemies who know him well. They have seen the Lewis ruthlessness and the Lewis theatricals. But they have



Drawings by Elizabeth Olds

AR THE MINE SHAFT AND HUGE, BLACK SLAG HEAPS TOWERING ABOVE HOUSES AND PEOPLE

seen, too, an extraordinarily subtle mind and a vast personal force and charm usually concealed from the public.

One former close associate said recently, "John Lewis' native qualities of leadership have been surpassed by few of his contemporaries in America or anywhere else. But not many have so loved to drive rather than lead."

The key to power

ADO up all these factors—the history of miners' struggles, the nature of coal digging, the character of John L. Lewis—and the whys of lack of democracy in the UMW become clear. The union's constitution gives the hows. Here is the key to power:

Charters of districts, subdistricts and local unions may be revoked by the international president, who shall have authority to create a provisional government for the subordinate branch whose charter has been revoked

The climb back from provisionalism, once Lewis has substituted his appointees for elected officials, is, next to impossible. Of the UMW's 30 districts, 20 are

provisional or semi-provisional. Some have held no election in a decade and a half.

In a recent courtroom tussle, Lewis self-righteously apprised the court of the fact that his expenses are passed on by the union's executive board. He did not add that as ruler of the provisional districts he appoints a majority of the board—and holds power to remove even the few who are elected. The board has one member for each district.

Appointment of subordinate officers is one of the few things which still causes fireworks in the conventions. Some locals regularly instruct their delegates to ask for home rule—autonomy is the customary term—for their districts. Debate is usually perfunctory. The 1944 gathering, however, saw some excitement because Ray Edmundson of Illinois (District 12), was fighting Lewis. For years Edmundson has been looked on as a crown prince—not a healthy reputation to have. Lewis was poking into the financial affairs of District 12 when Edmundson resigned, promising to beat the old man. Though

an appointive district president for nearly a dozen years, he tied his hopes to the home-rule issue.

Edmundson couldn't get into the convention. The rump session he called drew less than a baker's dozen, and later when he sought to contest for the presidency he couldn't get on the ballot. But Lewis took enough notice to speak on home rule. The agitation for union democracy, it turned out, was a trick of the mine owners. "I know, of course," Lewis told the convention, "that coal operators' agents have gone about encouraging this propaganda, enlisting men to come here and fight John L. Lewis on this question." He had kicked many a dastard out of office "on the toe of my boot." As he proceeded with the tale of carnage, his followers came out of their chairs shouting hosannahs.

In a milder mood he has told a story out of his boyhood to illustrate his position on union democracy:

When one of the boys would come home and would tell the other that in some of the neighbors' houses the sons had more autonomy than we had in our

house, and we would hold a caucus on it, we used to get along fine until Mother intervened and made the decision. In the light of the greater knowledge that comes with increasing years . . . I can look back now and see that Mother was right every time. . . .

UMW officialdom, as a matter of fact, is referred to reverently as the "family." The ambition of all local miner politicians is to get into the family. Most locals are allowed to elect their own officers, who receive per-diem pay besides wages lost while on official duty. A man who is able to win local elections regularly catches the eye of district officials, is brought to the attention of Lewis and eventually gets a chance to move up. Unswerving devotion to Old John, head of the family, is the top requirement.

The family is important enough to warrant a pension system, which the miners themselves still lack. Employees pay a sum into the pension fund which is matched out of the union treasury. At 65, a \$6,000-a-year man (a medium-grade field executive) can figure on somewhere between \$150 and \$200 a month for the rest of his life. If fired, he loses pension rights, though he gets back his own contributions. An aging subleader, with a good-sized equity above his own donations, thinks twice before displeasing Lewis.

The allocation of dues also helps to center power at the top. The national treasury gets 90 cents of the \$1.50 monthly total. The Auto Workers take only 65 cents for the national office; the Steelworkers 75 cents out of an equal sum.

Critics of Old John heaved out of the UMW cast an especially fishy eye on this section of the constitution:

Any member guilty of slandering or circulating, or causing to be circulated, false statements . . . wrongfully condemning any decision rendered by any officer of the organization shall, upon conviction, be suspended from membership for a period of six months and shall not be eligible to hold office in any branch of the organization for two years thereafter. . . .

The Lewis-appointed executive board decides whether an officer has been "wrongfully" condemned. When Lewis went out to beat Pat Fagan in the Pittsburgh district after Fagan refused to go

along in the 1940 campaign against Roosevelt, several miners were hauled into the Washington headquarters and convicted, in effect, of circulating campaign literature in Fagan's behalf. The literature implied that Fagan might be right, Lewis wrong. Fagan's popularity was so great that many observers thought him unbeatable. But Old John drove him out of the herd.

Solidarity against the world

MINERS expect to strike. The press can gloat over what it calls a resounding whipping given John L. Lewis, but the coal diggers see it the way Lewis said—the government black-jacked them. Of course, the miners are not sure they will strike. Old John will decide that. But the man in the pits, angry himself and understanding well the pride of Old John, at the moment sees no other way out.

But not even Lewis' worst enemies—at least those who know him—predict that he will call a strike for the hell of it, without trying other means of getting victory or something resembling it. Labor men are of the opinion that if the government won't bargain, Lewis will send envoys to the operators, perhaps secretly.

The operators have not signed the Krug-Lewis agreement. When the gov-

ernment hands back the mines on June 30—which it must do unless there is new legislation—the operators may try to knock out the welfare fund and other gains. Their hand will be greatly strengthened, of course, by Lewis' bogeyman reputation with the public. According to Gallup pollsters, President Truman's popularity jumped sharply after his wrestle with Lewis. Congress could find no easier way of passing restrictive labor legislation than under the guise of "curbing" the mine leader.

And so the prospect of Old John riding forth to protect what he calls the "defenseless breasts" of his members brings shudders to other leaders of labor. If he and the miners are brought down, can the breach be filled in time?

Lewis' possible successors

WHO is heir apparent in the UMW should Lewis die—or, perhaps worse, undergo a long illness? No one, remembering the case of Ray Edmondson, is likely to step forward as a candidate. Rumors went around not long ago that Lewis would like to name his younger brother, Denny, as acting president and devote himself to the AFL and making war on the CIO. (The miners did not return to the AFL; the AFL aligned itself with the UMW, according to the *Journal*.)



IN SPITE OF MACHINE AIDS, SOFT-COAL MINERS STILL WORK ON THEIR KNEES

But even Denny's friends sometimes refer to him as "John with the brains knocked out." Denny has been more of an order-carrier than director of big affairs. The dozen-odd other Lewis blood relatives and in-laws on the payroll have shown no greater capacity. John's only son, John L. Jr., is practising medicine. His daughter Kathryn still holds title as secretary-treasurer of the catch-all District 50. But her labor interests have lately been subordinated to studies in Oriental religion and philosophy.

The old-timers who remain have lived in Lewis' shade for so long that even their desire to head the union is doubtful. Thomas Kennedy, the secretary-treasurer, is aging and tired and said to be anxious for rest. The vice-president, John O'Leary, is an old wheelhorse who has never been known for initiative or knowledge of the coal industry.

Others might fill in: Ora Gassaway of Indiana, John Jones of Maryland, John Owens of Ohio. All spend much time around the throne. But they also have taken orders for too many years. K. C. Adams, *Journal* editor, pleases Lewis by making up such terms as "New Deal burrocrats." But he lacks a solid mining background. John Kmetz, present head of District 50, is middle-aged and personable. But the younger men brought up through the "family" are also short on initiative.

Trouble ahead

THERE remain the men thrown out by Lewis. It was generally believed that Phil Murray, long-time UMW vice-president, could have fought Lewis effectively had he been willing to take a chance on splitting the union. Van A. Bittner, Allan Haywood, John Brophy and many other CIO officials are former miners' leaders. But whether the miners would turn back to them in the event of Lewis' death is more than anyone wants to speculate about.

There is no lack of unanimity of opinion on one point: trouble lies ahead for the miners, and plenty of it. They may or may not avoid a long and bitter strike. But they must inevitably face chaos among the sycophants when Old John passes on.

A Trust Is Dented

By Donald W. Craig

*Thanks to a Philadelphia theatre owner,
Hollywood's tight-fisted grip on motion-
picture bookings has been loosened*

AS YOU come out of the Fifteenth Street exit of Broad Street Station in Philadelphia, the name GOLDMAN, spelled in gigantic, illuminated letters of many colors, smacks you in the eye from a vertical sign a hundred yards away.

The sign, and the theatre behind it, symbolize the beginning of what may be an epochal change in one of America's largest industries—the movies. The change is from monopoly to free competition. Its importance is indicated by the fact that the movies' power to influence man's manners, morals and values is perhaps unrivaled even by the press or radio.

The Goldman Theatre, opened last August 15, was America's first major postwar movie house. For William Goldman, veteran showman and theatre operator, the opening marked the climax of a dramatic and bitter struggle. Its story is partly national, partly local; but the details of it could apply to any metropolis.

Fourteen years ago, after repeated clashes of judgment with his superior, William Goldman quit a \$78,000-a-year job as general manager of Warner Brothers theatres in the Philadelphia area. During the next few years, as he tried to develop his own chain of theatres, he often suffered from the heavy

hand of the system he had formerly operated. A growing rage at methods he had once accepted and employed caused him to say one day to a friend, "Some day I'm going to bust that monopoly, and bust it good!"

This was the kind of thing friends pass off with a deprecating smile. "Busting" Warners' monopoly in Philadelphia was then on a par with kicking over the Empire State Building. Yet Goldman did "bust" it, in just the way he intended.

In 1941, Philadelphia had eight first-run picture theatres and Warners operated all of them. Today there are ten first-run houses in Philadelphia, and Warners' tally has dropped to seven. Goldman owns two (one bought out from under Warners), and Twentieth Century-Fox has another, repossessed after many years of Warner operation. Goldman has two more top-flight houses ready for first-run pictures as soon as they come on the market. The Warner monopoly has been cracked.

Goldman's achievement is considered by theatre people as one of the most extraordinary feats ever performed in their extraordinary industry. To appreciate it, one must know something about the position Warner Brothers once held in the city, and something about film distributing in general.

In Philadelphia—the system varies slightly in different cities—there are a number of "first-run downtown" houses, a larger number of "key-run" houses and many "subsequent-run" houses. The

Donald W. Craig, a former teacher of English, was on the staff of the Philadelphia Record for two years until the paper shut down. He is now free-lancing.

key-runs are located in the business or shopping centers of outlying districts. Each stands at the head of a line of subsequent-run places in a geographical zone. The key-run is without exception the largest and most profitable theatre in its zone.

A feature picture plays first in the downtown area. After this run is completed, it may go to a "moveover," or second-run downtown, for a week or two, or it may be put out of circulation for 28 days of "clearance." This clearance period is to keep the price up by preventing neighborhood competition with first-run houses.

After the 28 days, a number of prints of the picture are shown in many key-run houses at the same time, usually for a week. After another week of clearance, they open for three or four-day runs at the first subsequent-run house in each zone. And so on, until the final house is reached.

Before the war, Warners operated, besides all Philadelphia's first-runs, two of the three moveover houses and 15 of the 18 key-run theatres. Warners decided what pictures to play in its first-run houses, when to play them and how long they were to play there. No

"A" picture could enter the city without first being shown by Warners. If this meant holding up important pictures for a month or a year, that was too bad.

No subsequent-run exhibitor could touch a picture that Warners was interested in until Warners got through with it—that is, until the best profits had been skimmed off by the downtown houses, and the next best profits by a Warner first-run neighborhood.

Film rentals were also weighted in favor of the Warner monopoly. Several independent exhibitors paid higher fees for pictures than did Warner houses getting the pictures ahead of them. For many films the percentage taken by the distributors from a small end-of-the-run theatre was the same as that charged for a first-run downtown.

The effect was like putting the president of a corporation and his stenographer in the same tax bracket. Moreover, in each rental contract the distributor of the picture stipulated the minimum admission fee to be charged. Admissions were heavily influenced by those charged at Warner houses. Price-cutting by an uppity exhibitor would mean relegation to a later and less profit-

able run. A new exhibitor desiring to compete on equal terms with a Warner house anywhere along the line was through before he started.

Warners' omnipotence in the area, arising from the buying and withholding power of its theatres, worked against the exchanges of the other big producers as well as against the exhibitors.

The "gang"

WARNERS was not the only villain in this game, however. The producer-exhibitors work together, allotting one another different areas as their special bailiwicks wherein their theatre chains can monopolize profits and keep down competition.

Thus Paramount is solid in the solid South—so solid that, according to a trade anecdote, an isolated house owned by a Warner relative in Jacksonville, Florida, once paid more for a single feature than the same picture cost 41 theatres of a Paramount chain (Sparks). Loew's, which, with RKO, controls much of the picture circulation in New York City, during an internecine squabble once held Paramount pictures away from most of New York's neighborhood theatres for almost a year. Warners is currently banning all Universal and Eagle-Lion pictures from any of its theatres, according to *Variety*, in retaliation for an alleged raid on its studio personnel by these two producers. These are minor ripples, however, on the smooth surface of trust relationships. Internal differences are generally subordinated in the interest of presenting a solid front against the independents.

The essence of monopoly is that it can restrict distribution and exhibition, and, in the resulting sellers' market, fix and maintain high prices. The independent exhibitor in Philadelphia—or in any city—could not and still cannot buy pictures in quantity except from the established film-distributing agencies of the producers (the "Big Five" consisting of Warners, Loew's-M-G-M, Twentieth Century-Fox, Paramount, RKO, plus Columbia, Universal and United Artists). These exchanges distribute films of producers outside the "gang"—on their own terms. Consequently the exhibitor has to depend on their pictures or go without.

Picture's Progress

HERE'S how the system discussed in the accompanying article worked with a specific picture, as recently as last year.

"The Bells of St. Mary's" moved into downtown Philadelphia February 13, 1946. After a very good first week's run, the rental was set at 40 to 50 percent of the gross.

Twenty-eight days after its first run was completed, it opened at the key-run houses—for instance, at the Orpheum, a big Warner house. Here it grossed possibly \$8,000, of which 50 percent went back to the distributor, leaving Warners \$4,000.

After hopping from theatre to theatre in the Orpheum zone, it played the Wayne, a small independent. By now most people had seen it; it had been milked dry of profit.

The Wayne might gross \$300 on it, of which it could keep at most \$180. And the picture had to be carried on "preferred time"—Saturday or Sunday—if the exhibitor wanted to stay in the good graces of the exchanges.

The result of this rental system is that good pictures are frequently not so profitable as poor ones, and lose out often in the small theatres.

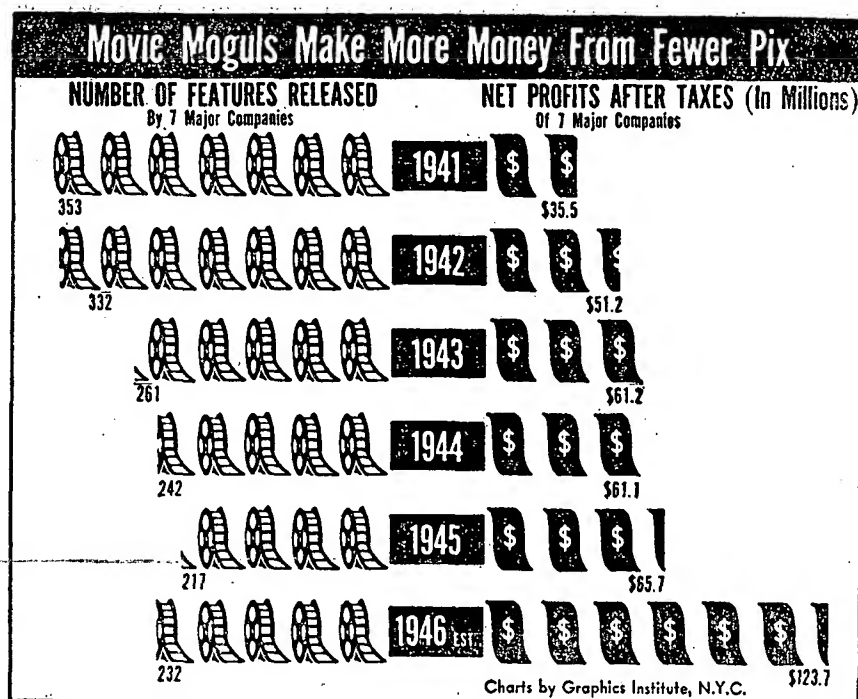
"Suppose I buy 'Blue Skies,'" explained one exhibitor, "It's being sold at 45 percent. Suppose I do a capacity business on it, and gross \$500. I pay out 45 percent, and I'm left with \$275. I'm better off if I take a "B" picture. I could get one for \$30, take in \$350, and clear more than I could on 'Blue Skies.' After all, I'm in business."

There is big money in the system. The movie companies have found profits can go up even when the number of pictures is cut down. In 1941, 353 features were released by seven of the eight major companies and the net profit after taxes for all operations—production, distribution and exhibition—totaled \$35,491,000. In 1946, the total annual output of the seven had dwindled to 232 pictures, and estimated net profits, with booming theatre attendance, had climbed to \$123.7 million. It pays to starve the market. And since the market itself was controlled as outlined above, the exhibitor used to have no recourse to fresh sources of supply. He still doesn't—but relief is in sight.

The opening gun

IT WAS this system that William Goldman tackled, with full knowledge of what he was getting into. He prepared for it by building up a small chain of neighborhood houses in Philadelphia and outlying towns, which together supplied him with a tidy kitty running into six figures annually. He had one advantage in the projected struggle—he knew, as an associate said, "where all the bodies were buried." Six years as head of the Warner circuit in eastern Pennsylvania had given him a clear understanding of how the other side worked. In St. Louis, before coming to Philadelphia in 1928, he had built up two successive theatre chains, had fought against and then worked with the Skouras brothers (Spyros Skouras now heads Twentieth Century-Fox), and had put in some time as chain manager for Paramount. He was a seasoned warrior.

The kickoff came in 1940. At that time, Warner Brothers was having one of its periodic spats with Paramount Pictures over treatment of Paramount's product in Philadelphia. Paramount then had a backlog of almost a year's unplayed pictures waiting to get into the area. Goldman extracted a promise from Neil Agnew, Paramount executive, that Goldman could get Paramount features first-run if he could find a good theatre for them. Goldman forthwith started negotiations for the Erlanger, a vast and luxurious amusement hall closed during most of the depression.



But in the meantime Warner Brothers had got wind of the deal. According to Goldman's testimony in the subsequent trial, Harry Warner got into a huddle with Barney Balaban, president of Paramount, and told him a break in Philadelphia would mean a break throughout the United States. As a result, Goldman testified, Paramount and Warners patched up their differences, leaving Goldman with a theatre and no pictures.

During 1941 and most of 1942 Goldman bombarded the distributors with letters, telegrams, phone calls and visits in an effort to get first-run shows for the Erlanger. He was consistently turned down by all the exchanges.

"As you know," wrote Charles Zagrans, RKO's branch manager, in a typical refusal on October 28, 1941, "Warner Brothers has been our established customer for the exhibition of our pictures first-run downtown Philadelphia." He went on to say that therefore RKO would continue to deal with Warner Brothers "as in the past."

Earlier, and less formally, Zagrans put it in a nutshell for Goldman during a luncheon conversation, according to Goldman's testimony. "Well, Bill," he said, "there is no use kidding you. You know what the setup is. If we make a deal with you, Warners will penalize us in the subsequent-run theatres, and

that will be very harmful to our interests."

Goldman treasured all these things in his heart—and in his files—and on December 8, 1942, sprang his big play. He filed suit against the eight big producer-distributors and their exhibitor affiliates in the Philadelphia area, asking \$1,350,000 in triple damages for loss of profits at the Erlanger during two years. The suit charged that the Erlanger had been refused permission to exhibit first-run pictures "by reason of an illegal combination and conspiracy to monopolize the entire motion-picture industry, particularly in the Philadelphia district."

Goldman's extensive, if unproductive, letter writing of the previous two years now showed its value. He was able to produce in court almost identical letters from local representatives of the big producer-distributors, denying him films at a time when there were films to burn, films drying up in the vaults because of the first-run bottleneck maintained and enforced by Warner Brothers.

On April 8, 1944, Federal Judge William H. Kirkpatrick of the US District Court dismissed the case. "While Warner Brothers undoubtedly has a monopoly in the Philadelphia area in the showing of first-run pictures," he ruled, "the monopoly is not illegal."

Goldman appealed—but he was not

the only party to feel the blow. The US Government was then in the thick of its own anti-trust suit against the industry, and regarded the Goldman case as a testing ground for its own campaign. The Department of Justice hustled into the fray, and a brief was filed on behalf of the government as "amicus curiae," claiming that the public had a direct interest in the number of first-run theatres, that it was to the public's

benefit to have as many as possible, and that "the District Court's approval of the pattern of distribution disclosed . . . is a threat to free competition in any business."

On August 2, 1945, the Circuit Court of Appeals reversed the District Court. After a long delay, the final judgment was delivered and Goldman was awarded \$375,000, about a quarter of his original request, on last December 19. Eleven

days later he sued again, this time for \$8.4 million for profits lost at the Erlanger between the time his first suit started and the end of 1946. The defendants appealed the original suit back to the Circuit Court. But the battle was won.

Six months before the award, however, the attention of theatre people everywhere was drawn away to the decision rendered in the crucial "New York Case" of the government against the industry. This judgment finally outlawed any kind of block booking; forbade chain contracts for any pictures; barred price fixing; opened the picture market to free competitive bidding; and forbade the acquisition of new theatres by any of the producer affiliates.

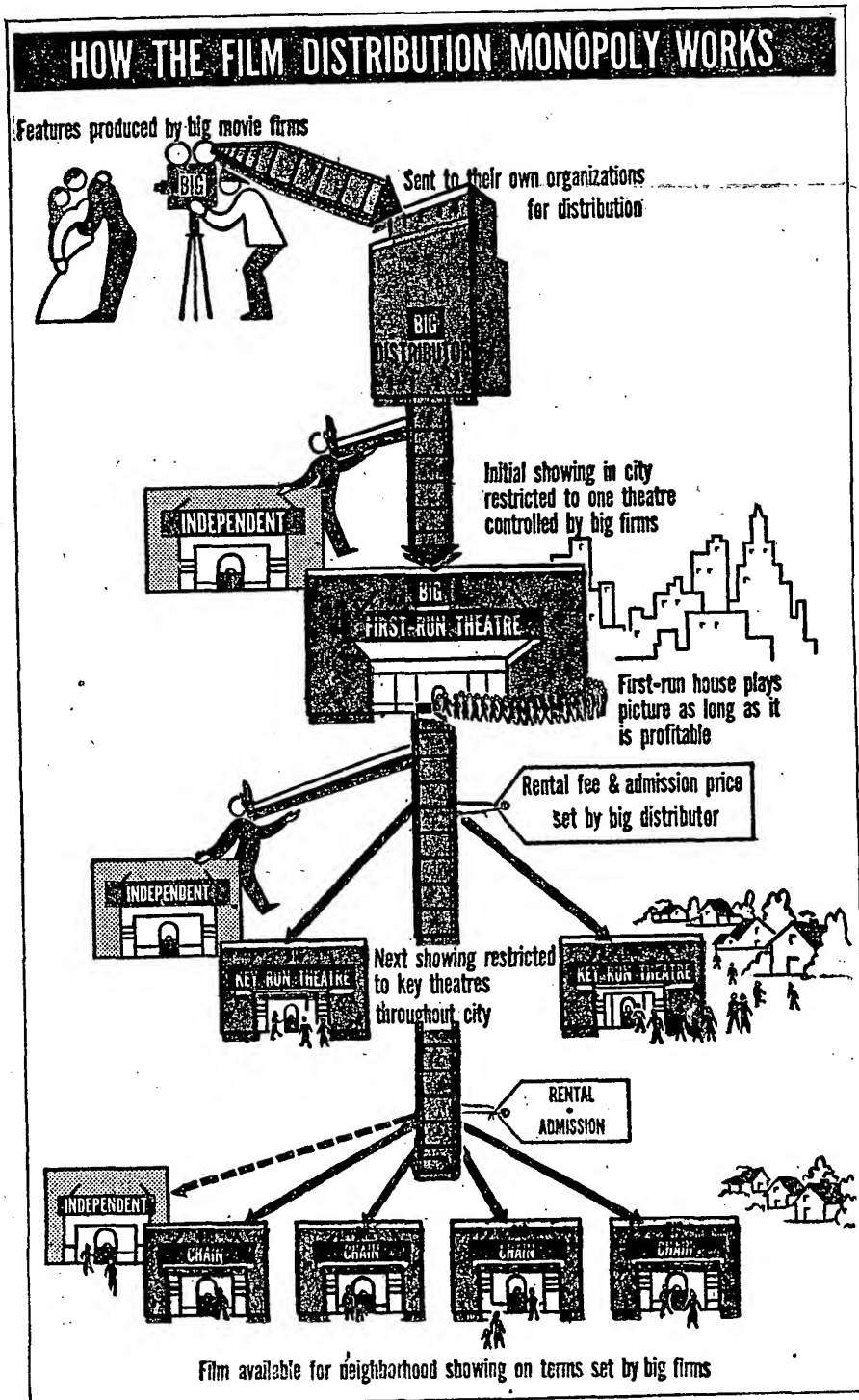
The basic threat to freedom in the industry—producer-owned theatre chains—has not been scotched. But the government is carrying the case to the Supreme Court with a request for complete divorcement. A final decision will probably be rendered sometime next winter.

Anybody's guess

As this is being written, the Supreme Court is considering a motion to stay the provisions of the decree until it sees the case. But the producers already are testing out the competitive-bidding item and finding to their delight that it yields more money than ever, during the present picture scarcity. As a result, independent exhibitors all over the land have set up a howl that the decision meant to free them is actually going to destroy them.

Goldman is one independent who is not howling. Having forced his way to the top of his local heap against terrific odds, he is getting all the first-run pictures he wants and making big profits on them.

The able Philadelphian has demonstrated once for all that the big boys can be licked and that competition is possible. Under the logic of the competitive system, an open market and unrestricted buyers can ultimately bring more producers, selective buying and a better, less expensive product. The movie business, however, is not noted for logic; and how this will all end is anybody's guess.





Books in Review



Sins of the Fathers

! : *Palestine: Black, White and Gray*

IN A WORLD of violent and impassioned controversies there is no issue more packed with emotional dynamite or more capable of evoking an instinctively sympathetic response from generous spirits than the matter of a homeland in Palestine for the small number of European Jews who escaped the Nazi holocaust. In terms of decent human feeling the case seems plain. The tragic survivors of the Hitler terror are doomed exiles in Europe, and Palestine looms as the country of their dreams. Furthermore, it was promised to them by the famous Balfour Declaration.

But divorced of emotion, the Palestine issue is perhaps not so open and shut. The Arabs, one recalls, are a large majority in the country and have been there for centuries. Is it proper democratic procedure to force them into a minority and turn their country over to foreigners without their consent? It is true that the Jews would bring unheard-of material progress to Palestine, but wasn't this what Mussolini said about the Italian occupation of Ethiopia? The struggle of the Jewish underground against the British is often compared to the Sinn Fein revolution in Ireland, but wasn't the Irish battle for control of their own country and against the domination of the half-alien Anglo-Irish ascendancy more like the rise of Arab nationalism in Palestine? Why should tiny Palestine and not the vast United States provide a new home for the refugees from Europe? Would not the establishment of a Jewish nation merely make for additional anti-Semitism?

To one who, like this reviewer, has long been deeply disturbed by the conflict between the emotional appeal of the case for a Jewish national state and the less moving but persuasive claim of the Arabs to the country, the almost simultaneous publication of the English Richard Crossman's *Palestine Mission* (Har-

per's, \$2.75) and the American Bartley C. Crum's *Behind the Silken Curtain* (Simon and Schuster, \$3) is most welcome. As prominent and influential liberals and members of the Anglo-American Committee of Inquiry Regarding the Problems of European Jewry and Palestine, appointed by Truman and Attlee late in 1945, the two men—the former a Labor MP favorably known for his skepticism about his party's foreign policy, and the latter an independent Republican Catholic who has supported both Roosevelt and the Spanish Loyalists—were in an excellent position to observe, to understand and to interpret their findings for us.

HAVING served on the same committee, the authors naturally cover much of the same ground and supplement each other. In many ways they have a lot in common. They are of the same generation; they are equally independent and progressive in their thinking; they are apparently of a similar kind of sanguine temperament; and they at times stood alone against the rest of the committee. It is apparent that they have considerable respect for each other and, after reading their books, one feels that the respect is entirely justified and that Crossman and Crum were excellent choices for a difficult, important and

thankless job. Yet, while they have so much in common and reached many of the same conclusions, their reports are strikingly different in method and manner, and I must confess that I found the Englishman's book the more interesting and valuable.

THAT, however, is an entirely personal matter. Having, as I have said, somewhat conflicting emotions about Palestine, I found Crossman's questioning more persuasive than Crum's certainties. From the beginning the American seems to have had few doubts. He tends to see things in terms of British duplicity and Arab guile. The issue is comfortably black and white, and any opposition to the Jewish case is dismissed with considerable scorn. *Behind the Silken Curtain* is a vigorous and outspoken presentation of the Jewish case and it has a short way with dissenters. The Englishman, on the other hand, gives the impression of being less cocksure and superficial. He sees fewer villains than the American and more honest differences of opinion. You feel that his investigations in Palestine and among the tragic refugee camps of Europe were made, not to justify a position already held, but in an honest effort to reach a thoughtful and intelligent solution of a complex problem. The only time



The New Palestine

he gets really angry is when he objects to "the self-righteousness of American support for a cause for which America was not prepared to assume responsibility."

Although our propensity to give pious advice without doing anything to back it up irritates him, he understands why Americans are less impressed than are the British by the Arab claim to the country. It is, he believes, because, as a pioneer people who won our country from the Indians, we look upon the Jewish settler in Palestine as a pioneer and the Arab "as the aboriginal who must go down before the march of progress." The English, on the contrary, are "the offspring of the families which did not emigrate, inheritors of unbroken traditions going back for hundreds of years" and thus tend to appreciate the Arab position. He is certainly no defender of British colonial policy or of the pro-Nazi wartime activities of the Grand Mufti, but he doesn't believe that Arab nationalism is a British invention, either, or that it is without its progressive elements.

BECAUSE he has a way of seeing both sides and sympathizing with Arab as well as Jew, it is all the more impressive to find in the end that he is just as convinced of the necessity for a Jewish state as is his more volatile American colleague. Appreciating all the points the Arabs make and admitting that a choice must be made between "two injustices," he advocates the immediate admission of 100,000 immigrants, a partition of Palestine to form a Jewish and an Arab state, and Anglo-American assistance to both the Jewish commonwealth and the Arab state in the construction of a Jordan Valley Authority and an irrigation scheme for the Euphrates. He believes that this Jewish nation will eventually become part of a Middle Eastern confederation, chiefly Arab in culture and numbers. "Because it is a socialist community," he adds, "this small nation will have an influence on its backward neighbors disproportionate to its size, bringing to them the ideas and techniques of Western civilization and accelerating the downfall of the present medieval social order. But in doing so it will grow into the life of

the Middle East and grow away from its present dependence on the West." The future this suggests is highly provocative.

RICHARD WATTS JR.

II: From Vichy to Athens

WILLIAM L. LANGER'S *Our Vichy Gamble* (Knopf, \$3.75) is a book which tries to do two quite different, often conflicting, things at the same time. It sets out to give the full "inside" story of America's official policy toward France from the collapse in June, 1940, to the death of Darlan in December, 1942, based in large measure on hitherto unavailable official material furnished by the men responsible for the policy. At the same time it seeks to provide an impartial, dispassionate "outside" evaluation of that policy. Langer has two different, often conflicting, viewpoints. As Coolidge Professor of History at Harvard, he is an authentic professional of scholarly interpretation. As a wartime member of the high command of the Office of Strategic Services, an intimate of the top-flight statesmen and soldiers who made the Vichy policy, he is an amateur of practical policy-making with a personal and partisan attitude. Thus, Cordell Hull wasn't gambling when he picked Langer as the right man "to make a detailed and altogether independent study" and broke precedent to make available to him relevant material of the kind the public normally wouldn't have been given for many years. For though Langer consented to do the job on condition that he "could serve only as a dispassionate scholar, not as an apologist," it was inevitable that his attitude as a partisan amateur would play a part in his judgments as an aloof professional.

As an inside story, the book is extraordinarily timely, since it reveals that "our Vichy gamble" was the first of a series in which the present Athens gamble seems likely to take an even more important place. It gives a factual account, readable, entertaining, exciting, frequently depressing, of how and why Washington chose and clung

obstinately to Pétain, Darlan and the Vichy fascists instead of to de Gaulle and those Frenchmen for whom freedom meant emancipation from fascism as well as from the Germans. As narrative, the book has the virtues of excellent polemical journalism and the defects of partisan propaganda, since the author, while using much new material, omits or subordinates much old material. *Our Vichy Gamble* takes the reader behind the scenes as has no other book thus far published about a crucial period in the history of American policy-making. The first portion, describing the collapse of France, the armistice and the first few months of the Vichy regime, is particularly fascinating. The reader is given a day-by-day, sometimes an hour-by-hour, account of what each of the major participants was doing, saying, thinking, even feeling in those confused and dreadful days.

MORE than any other individual, Langer reveals, Ambassador William C. Bullitt was responsible for the Vichy policy. In retrospect, his decision to remain in Paris instead of going to Bordeaux—a decision which Roosevelt approved despite the objection of Hull—seems to have been the first step on the road which led to an American connection with Pétain instead of de

Gaulle. Langer arranges and interprets the facts to make Laval the villain of the piece and Pétain the hero. Thanks to Pétain, he says, "France was actually able to play both ends against the middle." And in his evaluation both of Vichy's policies and our policy toward Vichy, Langer pulls no punches in an aggressive justification of the utmost opportunism and expediency. He goes so far

in his defense of Pétain as to say that the Marshal's conviction by a French court of law was a political act and not an act of justice. There is no effort to deny that Pétain was a reactionary, a fascist, a man who feared communism and hated democracy so much that he was willing to connive with the Germans. Still, in Langer's



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view, Pétain was and still is a patriot who did better than de Gaulle could have done.

On July 1, 1940, Bullitt cabled that the hope of Pétain and his associates was "that France may become Germany's favorite province—a new 'Gaul' which would develop into a new Gaul." When Bullitt returned to America at the end of the month, he said, "Pétain is thoroughly honest and straightforward . . . universally respected . . . doing his best to bring order out of desperate chaos." Langer comments "What concerned the American government was not the question of ideology, but the question of national interest." Two quotations on which Langer doesn't comment are particularly striking as oblique illuminations of the question of a definition of national interest. On June 26, 1941, Roosevelt wrote to Admiral Leahy about the Nazi attack on Russia, "It will mean the liberation of Europe from Nazi domination . . . and at the same time I do not think we need worry about any possibility of Russian domination." Langer makes plain that Ambassador Bullitt, Admiral Leahy, Robert D. Murphy and nearly all the others responsible for our policy disagreed with the President, feeling that ideology coincided with real national interest when it was anti-Communist, but not when it was anti-Fascist.

Langer quotes Laval as having remarked to Hitler, "You want to win the war in order to organize Europe; you would do better to organize Europe in order to win the war." He calls the remark discerning but

doesn't note that the criticism of Hitler's policy applied just as forcibly to our Vichy policy.

THE second and most important phase of the Vichy policy began in the autumn and winter of 1940 when, again after Bullitt's personal intervention with the President, Murphy was sent to North Africa to conclude the economic deal with Weygand. Although this part of the book only scratches the surface, it is vitally important because it suggests the role of powerful American interests in favoring a connection with such "safe" elements as those represented by Pétain. Names like A. G.

Reed of Socony-Vacuum and Wallace Phillips, a wealthy American industrialist in England, crop up. Phillips "had much to do with the selection" of the team of Murphy's "technical assistants," who later helped him make it seem that the policy of political and economic expediency which had been launched in 1940 had been decided upon two years later and only for military reasons. At this point and a dozen others when the reader begins to want to know more, Langer throws in such phrases as, "It would be both tedious and unnecessary to pursue in all detail the working out of the plans."

Langer dwells lovingly for many pages on de Gaulle's blunder at St. Pierre and Miquelon, and dismisses in a phrase the fact that we wasted a year on "the idea that Weygand could be made into another de Gaulle." At the start of 1942 when the British were accurately estimating de Gaulle's strength, Hull was telling the President that "some 95 percent of the entire French people are anti-Hitler, whereas more than 95 percent of this latter number are not de Gaullists and would not follow him." Langer finds it "extremely difficult and fortunately not really necessary" to describe the Resistance movement and then goes on to give details about the reactionaries with

whom Murphy chose to work. The Worms Bank collaborators get many pages, the de Gaullist resisters a few grudging paragraphs. The misstatement of the facts about de Gaulle is understandable, but it is astonishing to find Langer even now defending our link with Laval's regime in Vichy in the summer of 1942 as "our only connection with the mass of the French people."

EXCEPT in its account of the Colonel Solborg affair, which is grossly unfair, the final portion of the book, on the preparations for the North African invasion and the landings themselves, makes fast, exciting reading in the best cloak-and-dagger tradition. It appears that Bullitt also was primarily responsible for this, the third phase of the Vichy policy. In Cairo in December, 1941, he worked out with General Catroux a plan for an invasion of North Africa and sent it back to the President. Naturally Langer defends not only the exclusion of de Gaulle from the enterprise but neglects to mention adequately the role of the non-reactionary elements participating in support of the invading Americans. The authentic French Resistance leaders are quoted as wanting de Gaulle, but Murphy cabled General Donovan on September 5, 1942, that de Gaulle might "be capable of treachery." So de Gaulle was excluded. The Darlan portion of the book is another whitewash which adds little to the previous apologies. But it sounds

odd, after Langer has described the inception of expediency and the role of Murphy, to read that the "State Department had nothing to do with" the arrangements with Darlan. And it is nothing less than shameful that Langer should dismiss the large number of known facts about the political background of the assassination of Darlan with a few obscure phrases such as "there were curious circumstances."

As evaluation of history, the key to the book is Langer's view that "considerations of an ideological character are dangerous if they are made



DARLAN



LAVAL



BULLITT



MURPHY

the basis for foreign policy" and that they "have validity only if they can be made to coincide with real national interests." Since he breaks his narrative in December, 1942, he elects to define these interests exclusively in the short-term sense of winning the war with

practically no attention to the long-term sense of paving the way for a just and durable peace. Thus he falsifies the historical perspective. He admits that with the death of Darlan "the French problem merely entered upon a new and if anything more bitter phase, which even at the time of the invasion of Normandy, eighteen months later, was far from resolution."

Yet he says of the Vichy gamble that "we followed a sensible, purely opportunistic policy [which] always was a substantially sound one even though it may have been an unattractive one," and that it was "completely justified . . . an unqualified success." His conception of the policy as a "gamble" implies that he chooses as his criteria exclusively the calculated risks of military strategy. His understanding of the stake wholly ignores the humane and moral principles involved in the permanent problems of a world order. "At no time," says Langer, "were we willing to stake much on de Gaulle. We were not partial to the fascism of Vichy and we were not unsympathetic to French aspirations. Our objective was to safeguard our own interests, among which were the liberation and reestablishment of France. No doubt there were different conceptions of how this might be done. But we could choose only one."

We chose the Leahy-Bullitt-Murphy policy of expediency, or "We'd better go easy with the Fascists." Again, in April, 1947, we can choose only one conception of safeguarding our "real national interests." And again we are choosing a gamble. It is the policy of "necessity" or "We'd better get tough with the Communists." The greatest value of Professor Langer's book is that it provides "unofficial official" confirmation that the "new" Leahy-Dulles-Murphy policy is a continuation of the

road we took in June, 1940, when Bullitt convinced the President that Pétain was the arch enemy of "chaos" and in January, 1941, when Leahy transformed a prejudice into a policy. Murphy's role is more important than ever; he is the man in the shadows be-

hind Marshall. Leahy more than ever is the power behind the presidential throne. Indeed, there is evidence that a five-star admiral was responsible for the selection of a five-star general as Secretary of State because James F. Byrnes, though a proponent of a "tough" policy, wanted toughness to stop short of a new and more dangerous form of saber-rattling.

To those who welcome our "Athens gamble," Langer's book will seem proof of the sage, far-sightedness of Leahy and those men in and close to the State Department who plumped for Pétain and "order" against the French "lower classes" and chaos. To those who have doubts, the book will reveal that both gambles rest on the same dangerous assumption—that "real national interests" entail winning economic and military wars rather than finding the means of achieving progress and security by the methods of peace. PERCY WINNER

Percy Winner spent fourteen years in Western Europe as a foreign correspondent and was for three years an OWI Deputy Director for Field Operations, serving in North Africa. His novel Dario was recently published by Harcourt, Brace.

Fiction Parade

HENRY Morton Robinson's *The Great Snow* (Simon and Schuster, \$2.75) is a twenty-day blizzard that covers the northeastern United States and threatens to destroy all life in the area. The publishers announce that the story "can be read on several levels of meaning," but on the usual level it is the account of one household during the storm: Ruston Cobb, a successful patent lawyer, his family and several guests, marooned in a New York country house. The cast is the conventional expensive variety, smoking and drinking the advertised brands. Under the strain of the

blizzard and its pressure on "those loftier structures . . . definitions of morality and convention," they set about behaving in a way we are to suppose is not habitual to them in normal circumstances. But since they foregathered in the first place for intoxication and adultery, it is not clear how the great snow modified their intentions. Anyway, Ruston Cobb proves himself the Whole Man, archetype of the energy and resourcefulness that builds and maintains civilizations. His ingenuity is described in detail.

The author includes directions to "fact-bound readers" who "in . . . their literal-minded way" may fail to regard "parts of my story as symbols" which have been "previously used with some success by the authors of *Genesis*, *Oedipus Rex* and *Finnegans Wake*." At least it can be granted that Robinson's good intentions have paved the road to a Hades frequented by distinguished shades.

THE STATE OF MIND (Houghton Mifflin, \$3) is a collection of thirty-two short stories Mark Schorer has written over a period of ten years. There is considerable variety among the tales, but all deal, more or less directly, with that state of mind which the author feels is peculiar to modern life: anxiety. It is the state of the badgered, the bewildered and the exhausted. Add its companion state, boredom. In this book these conditions express themselves mainly through callousness or loneliness, and Schorer is adept at tricky disclosures of trivial mentalities and unmotivated meanness. The characters in the stories resemble the readers for whom they were written, the prosperous public of the slick magazines, and while few of the stories exceed the level of high competence, they are an unpretentious and exact report of certain prevalent symptoms of emotional and moral bankruptcy.

ROGER Vercel's *Madman's Memory* (Random, \$2.50), a translation from the French, includes in its slight 213 pages a prodigious allowance of madness, seduction, suicide, incest and terror. But these attractions are so deftly controlled that the story never escapes



LEAHY

the range of a young woman perfectly normal except for a scrupulous conscience and a vivid imagination. Francoise is left, after her husband's death at sea, to the almost exclusive company of his fanatically devoted mother and to the enforced occupation of morbid reminiscence. The old lady becomes obsessed with the idea that her son is still alive and tries to impose this faith on her daughter-in-law. In rejecting it, Francoise is forced to admit that she doesn't want her husband to be alive and upon the guilt of her unfaithfulness depends the motivation of the story.

THIS IS THE YEAR (Doubleday, \$3) contains detailed maps, a prose-poetic prelude and postlude and a glossary. The author, Feike Feikema, has remained faithful to all available data on the weather every day from 1918 to 1936 in the western Iowa prairie land which is the setting of his novel. He has studied the dialects, habits, amusements and traditions of the people he writes about, and even attests to an exact veracity on rocks, weeds and trees. All this supports, even intensifies, the simplicity of the theme: man against nature, a particular farmer's boastful and hazardous life in subduing the soil and the elements for his use and his glory. As is usual in these agricultural epics, the soil and the elements win at least an esthetic victory, for the tradition of the garrulously taciturn yokel-hero has become formalized by now, and the reader's attitude to him depends on a sympathetic response to that tradition. Whatever his response, he will admit that *This Is the Year* is a large, expansive, pretentious and sincere novel.

HERMANN Kesten's *Happy Man* (Wyn, \$3), now published for the first time in America, has been translated into fourteen languages and enjoys a substantial reputation in German literature between the world wars. It is the story of Max Blattner and his fiancée, Else, who represent Berlin's bankrupt middle class—physically and emotionally exhausted, "holding life to be a misfortune." Max has no money and no job and in the panic of desperation continually muffs his chances to se-

cure one. Else has been pledged by her father to a prosperous marriage, as a last resort to save the family from accumulated debt and threatened disgrace. These circumstances propel them through the bizarre after-dark plot which decides their fates.

The crux of the story is in the opening lines: "But we could still kill ourselves," she said. He was becoming impatient. He couldn't stand much more of this sort of talk." Else is young and logical and sentimental. Since her life is so devoid of everything but Max's affection that she has exchanged all life for his love, there is nothing left to do with her lover but to die with him. Max, however, is another case. In the poverty of his life, he was sheltered under Else's love, but when her affection threatens to overwhelm him, he refuses to follow her into tragedy and shrewdly abandons her. For Max's ambition is not to give himself to the wheels of an express train, but to become the Happy Man, the anonymous bourgeois hero of a conventional success. By his ennui, his poverty, his envy of money, he is forced temporarily into an apparently opposing role; as the self-announced and self-pitied victim of society, he supports the shabby dignity of the anarchist hero. But as soon as he can escape this anomalous position he entrenches him-

self in the wisdom of his own dictum that "unhappiness is a flaw in a man's character."

The novel is superbly illustrated by George Grosz; the text and the pictures are so complementary that one feels that if the writer and the artist had exchanged mediums they would have produced the same volume.

HALF the stories in Sylvia Townsend Warner's *The Museum of Cheats* (Viking, \$2.50) appeared in the *New Yorker* during the last four years, and all are superior examples of that genre. Some of them are about English civilian life during the war; some are exercises in fantasy. Miss Warner writes with grace (which sometimes becomes cute), with a vitality (occasionally boisterous), an irony (just curdling into sarcasm), but her very real skill usually manages to balance these qualities and she is never boring.

JOHN FARRELLY

Crime and Punishment

Deadline, by Alexander Irving (Dodd, Mead, \$2.50), is a fairly neat item dealing with the murder of a young and beautiful advertising copywriter in Westchester County's most conservative department store. Personalities are cleverly played off against one another and over all broods the sophisticated figure of police lieutenant Ben Sinclair, who, in the words of one of his minions, "don't like for nobody to try to make a fool of him." Nobody does.

Murder Miscellany.—Three recent better-than-average jobs have a California setting. Mary Collins' *Death Warmed Over* (Scribner's, \$2.50) concerns murder in a genteel "guest home" and provides some good dialogue and suspense, while Lenore Glen Offord's *My True Love Lies* (Duell, Sloan and Pearce, \$2.50) gets right down to the problem of who put the corpse—her husband's, as it turns out—inside the wrappings of an unfinished sculpture by the belle of a San Francisco artists' colony. M. S. Marble's *Die by Night* (Rinehart, \$2) is a lively and literate account of the lethal goings-on of the members of a phony Greek cult in Los Angeles.

E. H.



Illustration by George Grosz from *Happy Man*



United Nations News



Peace on the Defensive

WHEN Warren R. Austin walked into the Security Council to present a justification of our aims and methods in regard to Greece and Turkey, he faced the largest audience the Council sessions had ever drawn. UN meetings in other parts of the building were virtually at a standstill. Lights blazed down on the delegates and cameras ground out the scene for posterity. It was unfortunate that the leading actor muffed his lines.

Two seats to the right of Austin, Andrei Gromyko raised his pencil and was recognized. He announced that, in his opinion, Austin should present the Greek-aid program as an entirely new question—not as part of the border dispute. Would Austin state his views on this procedure?

Austin was recognized to answer the question, but began reading his speech instead. The chairman stopped him. Austin turned crimson, sarcastically commented that he thought the point of order had been decided. The chair supported Austin, but Gromyko, not to be outdone, said he would consider the matter as a new question anyhow. Again Austin was recognized and again he started to read his speech—this time before the interpreter had translated the remarks of the previous speaker.

Somewhat ruffled, Austin finally got beyond the first paragraph and sailed through a six-page speech which explained how the US was acting in the interests of the Greek people, the Greek government, the world and the UN—all at the same time. There was no reference to Middle East strategy or oil, and the red flag that Truman had waved so enthusiastically was somewhat lowered.

If the beginnings had been unpropitious, the final outcome was unconvincing. Everyone knew that the speech had been scheduled only after public reaction demanded some gesture to the

United Nations. On merit alone it was unsatisfying. Its omissions were as noticeable as its over-enthusiastic tributes to the UN.

It is clear that after the Council debate between Gromyko and Austin there will be more to say. In the meantime one can predict what will happen. If you ask someone close to the American delegation about the Greek policy, the conversation will go like this:



AUSTIN

Q. Is there any possibility that Austin can or will make concessions to certain objections the USSR might raise?

A. Of course. The United States is always willing to make concessions.

Q. What kind of concessions could be made?

A. Well, we don't know what points will be raised, but if, as we suspect, the Russians raise the point that they do not favor any American loans for military purposes, that in itself is suspicious. After all, if we don't send military aid to the Greek government, the Russians will send it to the guerrillas.

IF THIS is the opinion of "sources close to the American delegation," then the press cannot be held solely responsible for its campaign to support Truman by attacking the UN. The attacks have ranged from mild criticism of the UN's weakness to outright disapproval of the Secretary-General and some of his associates. A syndicated column by Joseph Alsop was probably the most blatant of these attacks—and the least factual. Alsop began with a reference to the Greek program and the suggestion that the UN, its Secretary-General and, above all, its Balkan investigating commission were entirely too far left to be trusted.

First there is Colonel A. Roscher Lund (whom Alsop refers to as "a certain Colonel Lund, a Norwegian close to Lie and believed . . . to have intimate Soviet connections"). According to those who know the Colonel, Alsop is

correct on two counts: Roscher Lund is a Norwegian and he is close to Lie—he is listed in the organization as a "special adviser to the Secretary-General." If he has Soviet connections they are obscure. His record shows that he was director of Norway's intelligence service during World War II, kept the Allied High Command informed about the 45 secret radio stations operating in occupied Norway, was decorated by Britain, France and the US, had previously served in Norway's regular army and joined the UN shortly after Lie became its Secretary-General.

Next there is Gustav Gottesman, a Polish citizen serving as Roscher Lund's assistant. Gottesman is referred to as "a certain Pole, as to whose affiliations and sympathies there was even less doubt. . . ." Factually speaking, Gottesman is a Polish Socialist who escaped from Poland in 1940, worked for the Americans during the war, has been associated with the Polish Government-in-Exile since 1941, throughout its various changes, and is married to a British citizen. He was sent to the Balkans as a representative of the UN's Department of Security Council Affairs.

ALSOP's third attack on the Secretariat staff was leveled against the commission's press officer, Stanley Ryan, "who either shared the same affiliations or suffered from a severe case of incompetence." Ryan is a Russian-born Canadian citizen with experience on papers in Europe, South America and North America. Over the past year he has covered the controversial meetings of the Atomic Energy Commission and the Security Council for the UN press division and there have been no attacks on either his competence or his objectivity.

Some time ago the Greek government publicly, but unofficially, questioned Ryan's sympathies. Stories appeared in the American press, but the UN received no formal complaint. Alsop's charges echo the attacks initiated by the Greek royalist government. Friends of the Truman Doctrine and of the Greek government are developing these attacks into a holy crusade against the United Nations and its Secretary-General.

JANE BEDELL

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Farm



Our International OPA

WHEN there is not enough to go around, you try, if you are a realist, to divide it fairly. You know that if you try to hog everything, the fellow across the sea or even the fellow in your own country will grab something you need and jack up the price. So you study your needs and the needs of others and plan accordingly. And of course you have to have such authority for this planning as the controls authorized by Title III of the Second War Powers Act (which regulates imports, allocations and priorities) and the Export Control Act (which covers exports).

But if you are a fellow like Senator Robert Taft (R, Ohio) you close your eyes and go to sleep and dream of free enterprise. You wake up feeling that if only the government would take its hands off, everything would eventually straighten itself out. Although we have shortages in our own country and although people are starving in other lands, you think that if the government would stop allocating and channeling scarce commodities all would be well. You think that the boxcar problem would solve itself. Boxcars of their own accord would find their way into the Middle West to carry wheat which cannot be transported because there are not enough boxcars to go around.

Senator Taft was all set to kill Title III of the Second War Powers Act, which was to expire March 31, and he introduced a bill, S. 931, to that effect. This bill would have removed controls on everything except tin, antimony, cinchona bark, alkaloids and streptomycin, and would have extended control on these items to March 31, 1948.

Happily, by the efforts of Senator Aiken (R, Vt.) and others, the bill as finally reported out of the joint conference committee was amended to include the control of cordage, tractor exports and transportation until June 30, 1947. There was also a general provision which may be interpreted to cover

the import control of fats and oils. Apparently Taft had to back down, because he did not oppose his amended bill on the Senate floor.

Aiken pointed out to the Senate what would happen if the government took off controls:

There would be competitive bidding and contracting for available supplies, and prices would rise sharply, imposing added privations upon the countries in most urgent need of help, while setting in motion inflationary price spirals in our own country, where a steady rise in living costs is already causing grave concern.

While such price increases might benefit some speculators, they would not greatly benefit our agricultural producers, because the major portion of our grain crops which are sold off farms has already moved into trade channels, and also because of inflationary production costs.

Now that the law has been extended until June 30, when the Export Control Act expires, the next job is to get both laws further extended. If they are not, and if everything is turned over to the speculators and private traders, people who need food most will get the least. The farmers also will suffer because they will not be able to get binder twine to harvest their crops, boxcars in which to put their grain or tin cans in which to put their vegetables. Crops will rot in the fields. Prices will go as high as a cat's back and the American farmer,

already suffering from inflation like the rest of us, will be left holding the bag.

The effect on binder twine alone, of which there is a worldwide shortage, would ruin many wheat farmers. The US is the world's largest importer of hard fibers, from which binder twine is made. None is produced domestically. The hard fibers important to agriculture are abaca, known as "Manila," agave, sisal and henequen. Removal of controls would mean they would be diverted from farm use into the production of more profitable items, such as wrapping twine, padding for bedding, furniture, carpet yarns and paper.

Or take tin. The US normally consumes one-half of the world's total output of tin and is entirely dependent on imports. The tin supply will not exceed 75,000 tons; there will be a demand for approximately 120,000 tons. Under present controls, consumption can be held to 90,000, but that amount will exhaust our stocks. Controls are exercised to assure maximum production of tin plate with minimum quantities of tin.

THE Second War Powers Act also controls tractor exports. American farmers still can't get the tractors they need. In some areas the price of a second-hand tractor is higher than that of a new one. But if the government didn't control the export of tractors, foreign countries could come into the US market and bid up the price so high that a poor farmer couldn't buy one. And the countries that needed tractors most might not be able to get them at all.

The US is a net importer of fats and oils. It will import this year about 806 million pounds of industrial oils and export 628 million pounds (mostly edible). Part of our fats and oils are set aside for needy countries. But if the import law is allowed to expire, the rich American market would suck the world dry of fats and oils and widen the nutrition gap between starving Europe and the United States.

Europe is in an even worse condition than it was last year. Although world production has gone up seven percent, demand is away ahead of supply. Undersecretary of Agriculture



N. E. Dodd estimates there is a 36-million-ton grain demand for the current fiscal year and that there are only 26.5 million tons of export supplies. Without government control, wheat will not go where it is needed. Private traders and governments would come into our market and undoubtedly bid the price up so that our people would have an enormous sum added to their already excessively high food bill. This is not mere idle speculation. At the present time Sweden has placed an order for 20,000 tons of wheat for July 1, the date of expiration of the Export Act. In other words, Sweden is betting that the law will expire. Sweden, not being a "starvation" country, was not allocated wheat, but because she has money she plans to buy it as soon as control is lifted. If we were to remove export controls, other countries would undoubtedly set them up. And inevitably we would be unable to get what we wanted and needed from them, while they could come into our market and buy what they pleased.

REMOVING controls would mean the end of the International Emergency Food Council and would be equivalent to by-passing the United Nations. The function of the IEFC is to channel commodities which are in short supply into areas where they are needed. Member nations exchange information about their food and other commodity needs. They also exchange information about production, capacity and supplies in the various countries. Then a general plan is worked out so that each country can get what it needs.

Senator Taft is finding out that it is not so easy to get rid of controls. And he may be beginning to see that unilateral and selfish action by the US will hurt his own country. He may even be beginning to suspect that we are not self-sufficient; and, in fact, in the long run are more dependent on the rest of the world than it is on us. This admittedly is a rosy view of Taft.

At any rate, whether Taft likes it or not, he lives in one world, as do the rest of us. And he will inevitably find out that he can't sink the international boat without drowning a lot of good Republicans.

ANGUS McDONALD



Radio



Battle of the Books

JUST a year ago, two justices of the New York State Supreme Court enjoyed a lesson in the language of radio criticism as practised by the entertainment industry's "bible," *Variety*. At issue were an injunction suit; then a four-day trial, in which the contestants were Martin Stone, Plaintiff, and Station WHN, New York, Defendant. Plaintiff alleged that Defendant, by putting on a program called "Books on Trial," was engaging in unfair competition as well as violating the law of confidential relationship. Over a six-year period, Stone had built a program called "The Author Meets the Critics," which he had just moved from WHN to a competing station in New York City; and WHN had promptly come out with another version of literary radio called "Books on Trial."

Mr. Justice Eder, who denied the injunction suit, ruled that "time is of the essence" and remanded the case for speedy trial. Mr. Justice Botein listened for four days, and dismissed the action. In both instances, a prominent role was played by *Variety's* verdict, which had already weighed both shows critically. *Variety's* judgment that "a guy's hep" was relevant became a matter for juridical determination. The court had to rule, with a straight face, on the competence and materiality of a *Variety* decision that "with the plug cut down to kneepants, show should move smoothly to well earned Hooper."

The case is about to pay off as far as radio, and radio's relationship to literature, are concerned. For next month, "The Author Meets the Critics" moves into the big time. Up to now, it has been heard only in New York (for the last year on WQXR) and over one-third of the Mutual network's string of one-lung transmitters. In May the show goes to NBC. At a very good time for this type of show (Sundays, 4:30-5 p.m.), large blocs of listeners will be able to hear prominent authors battle toe-to-toe with their critical peers. And,

because of the lessons learned in Stone v. WHN a year ago, Stone and NBC are preparing to make this new big-league book show an exciting package.

Stone had lost the WHN action because, among other considerations, the court had accepted the trade reviewer's judgment that "The Author Meets the Critics" was "essentially a round-table discussion, while 'Books on Trial' [was] a dramatization." Now the new show will combine the forum and drama techniques. Some scenes out of the book under consideration will be dramatized, so that the listener may have his appetite whetted and at the same time know what the shooting is about. Then the critics will shoot. The critics will be not only from New York, as has mainly been the case until now, but from anywhere NBC's lines can reach—and that's most of the USA.

ANALYSTING of some of the people and books that have appeared on both New York shows in the last year may give you a better idea of what's in store. Stone's show has featured author Eleanor Roosevelt (*If You Ask Me*), John Roy Carlson (*The Plotters*), Theodore White and Annalee Jacoby (*Thunder Out of China*) and Charles Jackson (*The Fall of Valor*). Among the critics have been John Mason Brown, Lewis Gannett, Irwin Edman and Bennett Cerf. "Books on Trial" has tackled Howard Fast's *The American*, with Hamilton Fish attacking and Louis Nizer defending; Louis Fischer's *The Great Challenge*; with Earl Browder lined up against Edgar Ansel Mowrer; and Russell Lord's *The Wallaces of Iowa*, which was attacked by Washington *Times-Herald* editor Frank C. Waldrop and defended by Stetson (*Southern Exposure*) Kennedy.

If the new show jells (they don't always sound as planned, alas!) this one should be as exciting as "Information Please" was some nine years ago when its cock first crowed to sloganize, "Wake Up, America!"

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I don't want to take the bread out of Drew Pearson's mouth. But having gone out on a limb with one prediction, I might as well risk a few others:

¶ Watch for further broadcast programs based on religious themes but done with superb showmanship. There will be a slew of them soon, due largely to the enthusiastic reception given "The Greatest Story Ever Told" (ABC network, Sundays, 6:30-7 p.m.). If you haven't yet heard that one, it's a must.

¶ More and more, shows aimed for what the trade calls "the moppets" will develop social consciousness. Incidentally, if you have a good idea for a children's program, you may earn fame, production on the Mutual network and \$1,000 in cold cash—send it before June 1 to the Child Study Association, 221 West Fifty-seventh Street, New York 19, New York. Identify your idea as an entry for the "Robert Maxwell Award." Maxwell, who anted up the thousand bucks, is the man who developed the two best kid shows on the air, "Superman" and "House of Mystery."

¶ "Information Please," if it stays on the air (its Hooper slip has been showing of late, with the rating down to 6.2) will see that it gets a time that does not conflict with the Henry Morgan show. Both appeal to the same audience; neither is happy with the competition.

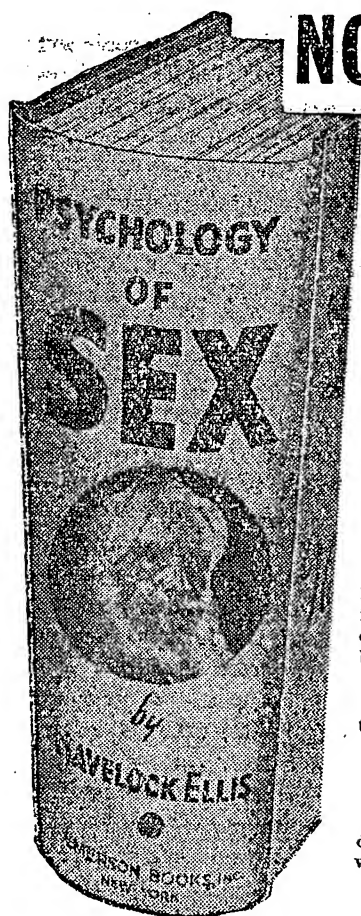
¶ By the time this piece is in type, the writers of every top show on the air will have voted to strike. There's hardly a radio writer worth his salt who is not a member of the Radio Writers' Guild. The men and women who do the scripts for everybody from Fred Allen and Bob Hope to "Ma Perkins," "Pepper Young's Family," "Big Sister" or "Young Widder Brown" are tired of being pushed around by advertising agencies, networks and sponsors. They met April 7 to take a strike vote. The newspapers will have informed you by this time whether this prediction of an overwhelming vote to strike has materialized. One reason they are itching to strike is that, every time a writer presents an idea for a program, he must

sign what's called a "release" form. There are many versions of this form, but essentially they all require the writer to give away every conceivable right he may have to the product of his brain. If you were a writer, how would you like to be forced to sign, before your idea was even considered, the following document? This "release" is copied verbatim from the form furnished me by one of the biggest advertising agencies handling radio:

I wish to present, for your consideration, the idea attached hereto, which I guarantee is entirely original and the product of my own individual labor and research. Disclosure of this idea to you is made on the basis that such disclosure is gratuitous, unsolicited, without restriction and involves no confidential or trust relationship between us.

I submit this suggestion with the definite understanding that the use to be made of it by you, and the compensation to be paid me therefor, if any, if you use it, are matters resting entirely in your sole discretion. This understanding applies also to any use that may be made of this suggestion by, or on behalf of, any client of yours.

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—Journal of Mental Science

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—Mental Hygiene

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Movies



Farmers and Gangsters

THE TITLE of "The Farmer's Daughter" has made it the butt of the saddest of reviewers' jokes, and the advertising blurbs have made it sound a dreary business. Yet the film itself is a political fantasy with some funny dialogue, grown-up direction and good performance. It's almost a relief to find a good film that puts its worst foot forward.

In this fairy story, politics are glossed with a clear candy coating, but the confection is produced with practically none of the usual stupidity. There is throughout the movie a tendency toward liberalism; just the broader aspects, of course, since this is a box-office commodity and care has been taken not to be specific or militant and to offend no one with the price of a ticket or the ear of a congressman. Out-and-out fascism, however, is still a sitting duck, and there are some satisfying digs at a Bundist organization with America First overtones. There is even a lusty fight in which the liver is beaten out of a whole lodgeful of these creatures.

In this picture my favorite movie mansion, which is authentic in contrast to the silly house in "The Late George Apley," is run by a Mr. Clancy, the butler and cherished friend of the Morleys, a prominent family of Capitol City, somewhere in the Middle West. He is played by Charles Bickford, who gives a valid characterization of great charm. How chic is simplicity! Clancy runs the house for the widow of a beloved senator of the state, wittily played by Ethel Barrymore, who seems to enjoy this dowager role, and for her son, Representative Morley. This Prince Charming is Joseph Cotten, who looks like a man and invariably makes sense.

Loretta Young, as Katie, is starred as a cute Swedish farm girl of decided opinions and countless capabilities. She looks as though she could not only call

a hog, but butcher it when it came trustingly up to her, smoke it, pickle it, and very likely make shoes of it. She leaves her stalwart, attractive family—the backbone, and in this case, the heart and head of the nation—to study nursing in town, and there has a nasty experience with one of the villains of the piece, a slick sign painter played pretty heavily by Rhys Williams. Williams, who was fine with Ethel Barrymore in "The Corn Is Green" and with Helen Hayes in "Harriet," seems a little nervous as the drunk who has to get the taste of paint out of his mouth. She loses her savings, gets a job as a waitress in the Morley house, is a hit the first day and is invited to stay as long as she will.

In no time, Katie is deep in the political activities of the Morleys and their assorted party bosses. She has her own ideas about candidates, entrances the assemblage with her knowledge of machine methods and soon wins the heart of the congressman and heir. There is a scene in which Mrs. Morley and Clancy place modest bets on the romance between the waitress and the scion. As the fantasy becomes more fantastic, Katie swings a big political meeting, is herself nominated in opposition to the Morley candidate and rides handsomely into office. In the last scene, the only stupid one, the hero and heroine (they could as well have strolled through a field of wheat into the setting sun) walk up the steps of the Capitol hand in hand.

"The Farmer's Daughter" is the first picture in which Loretta Young has made a good, positive impression on me as an actress. She gives an appealing, sustained performance that should mean for her, in comedy, a new lease on life. It is worth noting that Katie's mother is a bit part played by Anna Q. Nilsson, a star of the old silent pictures.

H. C. Potter, a young director with the play, "A Bell for Adano," and several good movies to his credit, directs a script adapted by Allen Rivkin and Laura Kerr. They have made from what could have been a run-of-the-mill affair a fable of political integrity and kindness which wouldn't happen this side of heaven, but is fun to watch.

HAVING been breathlessly assured by the elevator boy that "The Devil Thumbs a Ride" was a hot, great, terrific movie showing the most deadly of our new screen desperados, Lawrence Tierney, and destined to be a surprise hit, I gathered up my spectacles and headed for the theatre. The boy exaggerated, but the picture isn't bad.

It has some good chase scenes and one wonderful police poker game in which a kid, the gas-station attendant who can identify the criminal, is reluctantly allowed to sit in. His math teacher has taught him all the percentages, he handles his cards like a high-class sharp, and takes the whole night shift at the station house to the cleaners. Tierney, whom I praised in "San Quentin," is now getting a little too iron-faced. That cold calm has stood many a movie murderer in good stead, but it is wise to break the mask occasionally, lest the effect be that of dummy dressed in bolts of gabardine.

DICK POWELL, who used to be a sweet-singing type, never caught my attention until he distinguished himself in "Murder, My Sweet," one of the best of the whodunits. "Johnny O'Clock," his latest, is not the picture the Chandler story was, but it is good in comparison to the last few Bogart efforts or to any of the other recent gangster stuff. Lee J. Cobb, who gave a beautiful performance as the chief of police in "Boomerang," is the police inspector of "Johnny O'Clock" and up to his usual standard. The combination of Powell, as the smart, self-contained gambling-joint proprietor, Cobb and the actor who plays Powell's partner, S. Thomas Gomez, is easily worth two hours of watching.



DICK POWELL



ETHEL BARRYMORE

Evelyn Keyes plays a chorus girl. For blonde in a movie to fall hard and fast for a guy who hasn't much on, and make you believe it, takes more than looks and more than a director can blueprint for her. I doubt whether anything will be done with this mess, who has appeared in a musical about Jolson and another about Brazil, but with the proper story and attention it just might do something special out of the song-and-dance-girl casting. The scenes between Gomez and his puppet wife are, for the screen, remarkable, since sadism is rarely given in a play. Gomez is really sinister and a girl's life is a nightmare. Ellen Drew and Nina Foch are in the cast, and Robb Rossen is the director.

SHIRLEY O'HARA

WORTH SEEING

SMASH-UP—Not so good as "The Lost Weekend," but an interesting movie on the disconcerting properties of drink. With Susan Hayward and Lee Bowman.

THE SEA OF GRASS—Spencer Tracy and Katharine Hepburn, a little too self-consciously noble, in a prairie saga you might like very much.

BOOMERANG—Dana Andrews and Jane Wyatt in a good story made like a documentary.

CHILDREN OF PARADISE (*Les Enfants du Paradis*; French film, English titles)—The movie medium used intelligently and with feeling.

THE BEST YEARS OF OUR LIVES—Excellent cast headed by Fredric March. The year's big Oscar winner. Veterans' problems.

HENRY THE FIFTH—Superb English film. Don't miss it.

SAVE YOUR EYES

BE YOURS—Only for the violent Deanna Durbin fans who are willing to forgive her pictures wholesale.

RANGE WOMAN—A good story and Hedy Lamarr acts some, as well as looking luscious, but it was badly muffed and turns out tiresome.

NG OF THE SOUTH—Disney gone offensive in a big way.

LIFORNIA—Ray Milland, Barbara Stanwyck and Barry Fitzgerald in a movie that's so bad the audience makes strange noises.

DELIA—Another Margaret Lockwood and, unhappily enough, as bad as "The Wicked Lady."

"The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country, but he who stands it now deserves the love and thanks of man and woman."

—Tom Paine, "The Crisis"

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OLIVE H. G. BARON, Dir.



Music



Jazz, Pure and Simple

WHAT with getting rid of Upton Close and abolishing the unwritten law which forbids mentioning another network by name, the Mutual Broadcasting System would appear to be on something of a progressive kick. And the fact that Mutual is the only major web to give a half-hour show of pure jazz from coast to coast doesn't in any way diminish this effect. The program is called "This Is Jazz," and I mentioned it a few weeks ago when it auditioned on "For Your Approval," a show which presents new ideas and lets listener response determine whether or not the idea remains on the air.

"This Is Jazz" has been in business for nearly two months now, and everyone, including the network, the listeners, the musicians and producer-director-writer Rudi Blesh, seems quite happy. The other night I went to Mutual to see and hear the show in the studio, and had a relaxed half-hour. I heard a small New Orleans band which featured Muggsy Spanier, Georg Brunis, Albert Nicholas, Pops Foster, Joe Sullivan and Baby Dodds. They put their teeth into about five numbers, including a slow blues not recommended for listeners who were expecting maybe the Champagne music of Lawrence Welk. The old team of Spanier and Brunis brought back memories of the things they did on the Bluebird label back in 1940. It's been a long time since I've heard Muggsy play that way. But enough of this love-making—the show was good all the way through.

I bearded Rudi Blesh right after it and asked him if he had any complaints. He said no, except that he looks forward to the time when Mutual will give the program a regular spot. (At this writing it's been jumping back and forth between Saturday and Monday. It will be more than worth your while to keep an eye on your local radio page for the day and time.) He told me that he intends to preserve his present band intact, breaking the nucleus only occasionally

to make room for a guest. In addition, he plans to stick very closely to the New Orleans-early Chicago idiom, because it represents to him the best in undefiled jazz.

This is too bad. Blesh, in other words, represents a school in a field that needs anything but schools to stimulate its development. The attention given to New Orleans music creates a situation not unlike the result of a hypothetical symphony conductor's decision to perform nothing but Palestrina. I respect the work Blesh has done on his show, and his taste, but I point out that jazz is bigger than one style. I'm very fond of the exciting music that came from New Orleans before the First World War. Yet I'm equally fond of the stuff that Count Basie brought from Kansas City. And of the music of Benny Goodman and Jess Stacy and Jack Teagarden and Bobby Hackett and a dozen other jazz artists who don't play the New Orleans style. It occurs to me that in being the only producer selling pure jazz to American listeners, it's almost Blesh's duty to let the other styles be heard. However, I'm not panning the show. Finer hot music can't be heard on any network today, and Blesh is entitled to say, "I told you so" to the skeptics who thought that non-commercial jazz couldn't go over on a nationwide scale.

THE patrons of New York's Ruban Bleu are as boorish a collection of nudnicks as ever assembled in a pub-

lic place. I've seen floor shows in my time, but never has it been so difficult to hear as it was the night I dropped in here to throw away some expense-account money. The only time the cream of New York society closed its collective yap was when a stunning girl named Marian Bruce came out and sang with the warmth of Billie Holiday and the subtlety of Mildred Bailey and just a touch of the extrovert that was in Bessie Smith. Miss Bruce is relatively new in the business, but with a little training in mike technique, she should become one of the best girl singers in the country. She hasn't recorded yet.

ONE of the most satisfying of the current albums is a Commodore showcase featuring the clarinet of Edmond Hall and the piano of Teddy Wilson. They're backed by bass, guitar and drums, and the result is a collection of numbers which are ideal for non-jazz people who like to dance and for jazz people who wouldn't be caught dead rolling up the rug. Teddy Wilson's delicate, imaginative work is fairly familiar to most listeners, but the album should be a particular treat for those unacquainted with the unusually rhythmic clarinet which makes Hall's work so distinctive.

BACK in the early thirties, Wingy Manone, a wild man with a trumpet and a voice that frequently made one think of Louis Armstrong, turned out some of the best small-band jazz ever recorded. Most of these sides were for the Vocalion and Bluebird labels, and the band was the nucleus of the great Bob Crosby outfit, including Eddie Miller (tenor sax), Matty Matlock (clarinet), Nappy Lamar (guitar), and Ray Bauduc (drums). These records have become almost impossible to find, but they're worth the trouble. People without the time or inclination can listen to Manone in a new album put out by Davis. There's a lot of the old Wingy in these offerings, and although the supporting band isn't too impressive—particularly in the rhythm—the album is worth buying for those interested in hearing a real jazz artist who never got the recognition he deserves.

CHARLES MILLER



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Labor



Cutthroat Economy

THIS WEEK a Senate Appropriations subcommittee is conducting hearings on Labor Department and National Labor Relations Board appropriations. The hearings are open and public, in striking contrast to the policy of secrecy followed by a House subcommittee, and the probability is that the Senate group will vote to restore many services knocked out two weeks ago by the House. What the House did is nevertheless instructive in revealing the antagonism of the Republican "economy bloc."

The House voted, at the recommendation of its Appropriations Committee, to cut \$13,714,000 from the \$31,850,000 proposed by President Truman for operating expenses of the Labor Department. This represented a 43-percent reduction. The House also voted a virtual 50-percent cut in funds for the NLRB—a reduction which provoked expressions of disbelief and despair from Republican Senators with intimate knowledge of industrial relations. A bureau-by-bureau breakdown is sufficient to show the homicidal spirit in which the "economy bloc" functioned.

THE NLRB.—The NLRB, which has the duty of administering the Wagner Act, asked \$10 million from the Bureau of the Budget. The agency already is struggling under a backlog of 5,500 cases and strikes have occurred because the overburdened staff cannot process these cases with reasonable promptness. The Budget Bureau cut the NLRB figure to \$8 million and the House cut it to \$4 million.

The effect of this cut, if sustained, would be to force the NLRB to reduce its staff from the 1,000 employed last June to 675. The cases going to the NLRB jumped enormously after the War Labor Board was jettisoned by President Truman and the agency's funds for the current year were inadequate to carry the new load. Bills now pending in both Houses would expand

the NLRB's function to cover jurisdictional strikes and some kinds of secondary boycotts. How the Board can augment its services and cut down its backlog of cases with reduced funds is a mystery not explained by the House.

LABOR DEPARTMENT.—The services most drastically attacked by the House were the US Employment Service, the Wage-Hour Division, the Division of Labor Standards, the Bureau of Labor Statistics and the US Conciliation Service.

The Employment Service was ridiculed and berated in the secret hearings of the Appropriations subcommittee. A requested \$3,913,000 was slashed to \$900,000, leaving only enough money to do the bookkeeping on grants of \$72 million to the several states.

Eliminated by the House were the Bureau's functions in coordinating state practices in employment agencies, in maintaining a national list of job opportunities for scientific personnel, in furnishing 1,800 state agencies with information on job opportunities, demand and supply. Also eliminated was the dictionary of occupational titles—a classification of occupations and job titles used by management and labor in bargaining and by state employment offices.

The Wage-Hour Division, which enforces the Fair Labor Standards Act and the Walsh-Healey Act, was cut 25 percent in the House bill. Regional offices would have to be cut from 13 to nine and the inspection service of the division reduced 25 percent. If such cuts in funds are coupled with enactment of the pending drastic portal-pay bills, administration of the wage-hour law will be out the window. Its repeal would be a more honest alternative.

The Division of Labor Standards, which compiles information on safety regulations, state labor and workmen's-compensation laws and collective-bargaining practices, would be wiped out by the House bill. A program in workers' education—designed to give training for collective bargaining—would be transferred to the Bureau of Labor Statistics.

"Federalization of education," said Frank B. Keefe (R, Wis.) in the House debate, "was adopted in England. That's how they got a Socialist government."

The Bureau of Labor Statistics suffered a 60-percent cut in funds in the House. "I ask you," said Keefe, "aren't you getting a little tired of statistics?"

The BLS statistics are widely used by labor and management in day-to-day wage negotiations; they are, in fact, indispensable for collective bargaining and no substitute is available from any private agency.

WHEN the House debated funds for the US Conciliation Service, the homicidal atmosphere on the floor changed to one suitable only to a lynching bee. Representative Keefe does not like Edgar L. Warren, director of the service, and the House voted to cut out salaries for Warren and 101 other Conciliation Service employees in order to force Warren's ouster.

The Conciliation Service is the only federal agency now engaged in efforts to reduce industrial conflict. President Truman's labor-management conference in November, 1945, unanimously recommended expansion of conciliation functions, and Warren's administration has been in line with this recommendation.

Warren was charged with Communist sympathies by Representative Keefe. His "communism" consisted of prewar membership in a cooperative Washington bookshop and the American League Against War and Fascism. The House committee did not even attempt to show that Warren followed the Communist Party line wanderings of the League after the Hitler-Stalin pact; testimony showed, in fact, that he had no connection with "front" groups under such circumstances. But the House, laughing and cheering at Keefe's sallies, uttered under congressional immunity, voted to knock out his job. Senate Republicans, on their credit, show signs of developing a strong aversion to pure smear tactics.

Upon the Senate's general attitude toward the NLRB and Labor Department appropriations, however, depends the answer to the real question—whether, after Congress finishes, there will be any federal labor functions worthy of the name.

WILLARD SHELTON

The Bandwagon

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SENATOR KNOWLAND: . . . I should like to ask the distinguished Senator from Texas if this one instance is allowed, will it become a case of the camel getting his nose in under the tent, and thus open the door to a whole field of similar requests? — *From the Congressional Record.*

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Simpson, Thacher & Bartlett—Anti-trust matters, \$338,000.00. — *From the April 15, 1947, Proxy Statement of the only disbursements for legal services by General Electric.*

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A Little Child Shall Lead Them

Fear that "Communists" might flock in among the orphan adoptees [European war orphans permitted to enter the US] was expressed by Representatives Leonard R. Dickinson, Bemidji, and John J. Kinzer, Cold Spring. — *From the Minneapolis Star.*

Our readers are invited to contribute; \$2 will be paid for each item used. Address *Bandwagon*, c/o New Republic. Please enclose the original clipping. — THE EDITORS

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Letter of the Week

(Continued from page 3)

Assembly met and passed a series of resolutions which were forwarded to "His Excellency, the Governor" by Chief Tuisasosopo.

In his last-minute answer five months later, the home-bound Governor dealt so hastily and summarily with the Assembly's resolutions that the usually mild Tuisasosopo was provoked to complain, "The Governor's reply was not fitting of the spirit and willingness of the Samoan people. Besides, these resolutions should have been forwarded to Washington for comment. Evidently the petition went as far as the Governor's desk in the Naval Station of Tutuila."

Such negligence, or perhaps willful disdain, is cited by the Samoan fathers as an example of the failure of one-man government. They are a little tired, after 46 years, of holding their collective breath each time a new Governor is installed (Navy procedure is to replace governors every 18 months)—wondering whether the occasion called for cheers or tears. So they are now petitioning Uncle Sam for the transfer of authority over American Samoa from the Navy to a native legislature.

AMERICAN SAMOA is divided into three districts—the eastern, Pago Pago; the western, Tutuila; and the Manua island group. Each district has an advisory council consisting of approximately 15 high chiefs and high talking chiefs. The difference between ranks, according to Tuisasosopo, is that the former "sit upon the throne," while the latter are the "power behind the throne."

But the throne, as Samoans are sadly aware, is purely illusory. The chiefs have no real powers other than those of "recommendation," or as appointees of the Governor's officer aides. If truth be told, we "use" them, much as other imperialist powers we criticize "use" their colonies' native leaders. The legal elevator carries only orders going down, only suggestions coming up.

At the last annual Samoan Assembly,

the chiefs unanimously recommended that "a Legislative Body consisting of accredited Representatives of Samoa be established." Confronted with this request for some American-style democracy, the Governor replied evasively:

"The resolution concerning the legislative body is not exactly clear. It is my understanding that matters of legislation have in the past been discussed at the annual *fono* (Samoan chieftains' powwow with Navy officialdom) and that there was close coöperation between the *fono* and the Governor in the consideration and enactment of legislation."

Then apparently realizing that this official double-talk might result in some pins being stuck in his image, he added hopefully, "It is my present thought that the annual *fono* should consider the advice of the creation of a legislative committee of three to discuss with the Governor matters which arise between annual *fonos*."

SAMOANS realized, of course, that the Governor himself had no power to grant their demand for self-government. Navy regulations and orders for the government of American Samoa state bluntly: "The Governor, for the time being, of American Samoa, is the head of the government. He is the maker of all laws, and he shall make and control all appointments."

But they had clearly indicated their desire that this resolution be forwarded for consideration to Washington. That this was not done indicates either that the Governor feared it would be construed at the Capitol as a reflection upon his rule or that he honestly considered it his duty to reject their request.

Other resolutions presented by the Assembly to the Governor have been kicked back in their resigned faces with a resounding, if circumlocutory, "No!" The Samoans had asked that three natives, one to each district, sit with the committee investigating property damage caused by military occupation.

"Claims against the United States," replied the Governor, "for occupation of land or damage to property must be considered and decided by a commission of officers of the naval service. No provision is made by the law for the appointment of civilian members. However,

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APRIL 14, 1947

47

any claimant may submit evidence, etc."

The Assembly had also requested the Governor to "take into consideration the present salaries now received by Samoan nurses and male employees of the Health Department whether it be necessary to have an increase in salaries."

In substance the Governor's incredible reply was, "It is my recommendation that this present-day schedule be continued in effect as long as it is possible, in order to give it the test of time." In the United States if any fact-finding board, let alone an employer, dared to insult labor with an answer as foolish as that, a walkout would be inevitable.

IN ALL fairness, however, it must be stated that some of the Samoan Assembly's resolutions received reasonable, if tardy, consideration. The Governor gave an assurance that excesses by servicemen would be dealt with summarily; and that in laying off Samoans from war jobs, priorities would be observed.

Moreover, Tuisasosopo himself would be the first to admit that he regards his people as more fortunate than his cousins and aunts under the Union Jack in British Samoa. He is thoroughly opposed to the arbitrary national schism of one small people like the Samoans into two camps, and would like to see all Samoa under the Stars and Stripes.

At the last *fono*, in the address he wrote and delivered to the new Governor and his staff, Tuisasosopo declared:

"It seems as if Freedom and Happiness were first manifested to Samoans through the kind countenance of Your Honors. Congratulations on your justice and righteousness! . . . You have been with us for a very short while but your laudable doings and your ever smiling faces have served to show us a true picture of that great and free republic, the USA."

But such sweetness and light have prevailed at many *fonos* before. Governors have come and gone—some good, some bad, some indifferent. And still Samoa has one-man rule. Beside their beautiful harbor, the islanders wait for the greatest American Governor of all, the one who will bring them their most priceless gifts—citizenship and self-government.

JULES FRANCE

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April 23 1947

Mr. J. Edgar Hoover,
F. B. I.,
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Dear Mr. Hoover,

Your definition of
how to identify a communist
fits Mr. Henry A. Wallace perfectly.
What are you going to do
about it?

All talk? - or some
action!

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April 28, 1947

MEMORANDUM FOR: MR. NICHOLS

Mr. Verner Allen
 165 Montgomery Street
 San Francisco 4, California

Reference is made to the letter dated April 23, 1947, from the captioned individual.

File [] reflects that Allen, who claimed he was in the financial business and interested in producing manganese and chrome, contacted the San Francisco Office to complain against the subject of investigation, James Strohm, who was suspected of being a German sympathizer. The information furnished by Allen was nonspecific in nature and his name also appears in Serial 12 of the same file.

Due to the tone of the incoming letter it is suggested that no reply be prepared as it does not really call for an answer.

RECOMMENDATION: That the incoming from Allen be filed without reply.

Respectfully,

M. A. Jones

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62-71788-46

31 MAY 1 1947

LJL:eh

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April 18, 1947

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PERSONAL AND CONFIDENTIAL
BY SPECIAL MESSENGER

Major General Harry Hawkins Vaughan
Military Aide to the President
The White House
Washington, D. C.

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62-71788-47
Dear General Vaughan:

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Declassify on: OADR

I thought the President and you would be interested in the following information which has been received from a highly confidential source of a reliable character relative to the French Ambassador's reaction to the visit of Mr. Henry Wallace to France.

The source reported that in a discussion concerning the matter with Mr. William Bullitt, former Ambassador to France and Russia, Mr. Henri Bonnet, French Ambassador to the United States, said that the invitation granted to Henry A. Wallace to pay a visit to France, as publicized in "P.M.", gave an erroneous impression to the American public. Mr. Bullitt stated that the story in "P.M." is harmful inasmuch as it implies that the greatest opponent of President Truman is being invited by the four major parties of France. Bullitt reportedly said that certainly Leon Blum, Vincent Auriol and Maurice Schumann were not aware of what they were doing when they officially invited a man who is presently attacking, in a most violent manner, the President of the United States.

The informant said that Ambassador Bonnet explained that the truth is much more simple than such a conclusion. He said that Wallace had previously been received by the labor party in England and that it was a French tradition to receive prominent Americans and give them a welcoming committee, especially for someone who was previously associated with the late President Roosevelt. Ambassador Bonnet reportedly averred that there was absolutely nothing political in the invitation received by Wallace. The informant further said that Bullitt re-emphasized his personal understanding of the whole affair, but pointed out the possible ill effects on the Truman administration. It was further stated that Bonnet agreed that the situation was bad, but that it was too late at this time to withdraw the invitation. The source also indicated that Bullitt made known his intention to pay a visit to France, it being said that he would leave about April 15, 1947.

Subsequently, the same source reported that Ambassador Bonnet discussed the matter with a local newspaper correspondent. The source indicated

MAILED 5

APR 23 1947 P.M.

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that Bonnet insisted that the invitation tendered to Wallace had no political significance whatsoever and that Wallace was being received by the French as ^{they} ~~would~~ ^{receive} ~~any other~~ ^{contemplated} prominent American. Bonnet further commented that since Wallace's trip has been known for approximately a month, the French, with the best possible intention, simply made sure that Wallace would not be received in any way which would reflect partisan politics; hence, he was invited by representatives of the four major parties in France. The newspaper correspondent, according to the source, explained that no matter how innocent this reception of Wallace actually is, it will cost the French dearly inasmuch as it will influence Congress and the World Bank. The newspaper correspondent was reportedly of the opinion that the Bank will not grant the French loan of \$500,000,000 now being asked. *B*

The informant concluded with a remark that Ambassador Bonnet is extremely sorry and extremely annoyed that Wallace's visit to France was resulting in a feeling of animosity on the part of the American public. *B*

With expressions of my highest esteem and best regards.

Sincerely yours,

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TRUMAN'S PLAN 'WOULD DIVIDE AMERICA'

Moscow, TASS, Soviet Overseas Service, in English Morse to North America, Apr. 3, 1947, 7:05 a.m. EST--W

(Text)

"New York--Former Vice President Wallace, at a mass meeting in Madison Square Garden, declared: 'We are here tonight because we want peace, because we intend to have peace. The Truman doctrine endangers peace. Peace requires that Americans reject the Truman doctrine and reaffirm their faith in a strong United Nations Organization. The world is hungry. The world does not cry for American tanks and guns to destroy more lives and leave more hunger, but for American plows and food to fulfill the promise of peace.'

"Pointing out that Americans at present must think calmly and well, Wallace said: 'Nineteen days ago the President of the United States told Congress that the Greek people were hungry and needed American help. Was this news to the President or to the State Department which advises him? Every responsible member of the Government has known since the war ended that Greece lay in ruins, while famine was at her people's throats.'

Exploitation Charged

"And every member of Congress knows that 70 percent of Poland's livestock has been destroyed, that the children of Italy and Yugoslavia wear rags for clothing, that millions of Central European people do not possess shoes, that 10 million of people in the Ukraine are homeless. The welfare of all peoples is our concern. Famine anywhere endangers plenty everywhere. Progress anywhere helps progress everywhere. Action aimed at helping the world must help America but not action like the President proposes.

"The needs of desperate people are being exploited, like the generosity of the Americans is being exploited, for other ends. The truth is that the President and his Republican supporters are less concerned with the Greeks' need for food than with the American Navy's need for oil. The plan to contain Communism is second to that need. America is rich in oil, but thinks that she needs more for the greatest Navy and Air Force in the world.

UNRRA's Death World Tragedy

"Saying that the United Nations Organization cannot be by-passed, Wallace continued: 'America and Britain have divided the Middle East oil as though we were conquerors or lord protectors of the realm. At Yalta we solemnly agreed that Turkey's grip upon the Dardanelles would be loosed by mutual consultation after victory. At Potsdam we reaffirmed that agreement. But not one single action has been taken during the 18 months of peace.'

Foreign Radio Broadcast #30 - April 4, 1947

"During the long bitter winter of 1947, the world agency which could have saved lives and prevented misery was killed. Almost all the United Nations except the United States and Britain supported former UNRRA Director LaGuardia's plan to save UNRRA. The defeat of that plan was a world tragedy. Through months of inaction Congress strangled UNRRA. President Truman countersigned its death warrant.

Appeasement and Betrayal

"At present we are told that America must act alone in Greece and in Turkey because there is not sufficient time to create a United Nations agency for relief and rehabilitation. In the United Nations Assembly, Senators Vandenberg and Connally said that nothing could be done to free the Spanish people because the United Nations lacked the right to interfere in the internal affairs of any Nation. By what right do these same Americans justify unilateral interference in the affairs of Greece and Turkey?

"Administration and Republican supporters argue that we must intervene alone in Greece because the United Nations Organization is too weak to act. I have not forgotten about the appeasement of Hitler. I remember every betrayal of world solidarity against Hitler by Daladier and Chamberlain which was made in name of the weakness of the League of Nations. Let us not betray the future. Let the world refrain from destroying the United Nations Organization, as once it destroyed the League of Nations!

Greece a World Problem

"Dealing with the question as to who makes the UNO weak, Wallace recalled that in December Senator Vandenberg was willing to spend only 11 million dollars for the United Nations Organization and 'today he is ready to spend untold millions to prop up anti-Soviet regimes. There is only one hope for the world peace, the United Nations Organization,' he said. 'The Greek problem is a world problem, and it must be settled by the United Nations. If the Turkish problem exists, that also is the concern of all the members of the United Nations. That is the spirit in which the United Nations Charter was signed.'

Freedom Catch-word for Reaction

"Wallace said that sooner or later Truman's program of unconditional aid to anti-Soviet Governments will unite the world against America and divide America against herself. The Truman program must turn the world against America. 'At our command freedom, in whose name Americans died, will become a catch-word for reaction.'

"Once we grant unconditional loans to the nondemocratic Governments of Greece and Turkey then "in the name of freedom" every fascist dictator will know he has credit in our bank. Today it is the Governments of Greece and Turkey. Tomorrow it may be Peron and Chiang Kai-shek. Our banks will give dollars, our arsenals weapons. When that is insufficient, our people will be asked to give their sons.

Intolerance at Home

"The Truman program must turn Americans against each other. Intolerance is aroused. Suspicion is engendered. Men of the highest integrity in public life are besmirched.

"The President's executive order (on checking the loyalty of Government employees) creates a master index of public servants. From janitor in the village post office to Cabinet member, they are to be sifted, tested, watched. Their past and present, their neighbors' tattle and prattle, all will be recorded.

"But more Americans than these are in danger of prosecution. If this drive continues it will condemn every American who reads the "wrong" books, thinks the "wrong" thoughts, every American who means liberty when he says liberty, every American who defends civil rights, who speaks out for one world, everyone who believed in Willkie, who supported Roosevelt.

"Hatred and Violence abroad will be the fruits of the Truman doctrine. A strong United Nations Organization can bring peace. Which do we choose, because America must choose? The whole world waits for the American people. Where are the millions who supported Roosevelt's ideals? Where are the inheritors of our great traditions? Under conditions of weariness and confusion many Americans have abandoned political action. They must resume it immediately. Their country needs them. Americans of all parties and creeds at present must speak out in a great voice for peace and freedom."